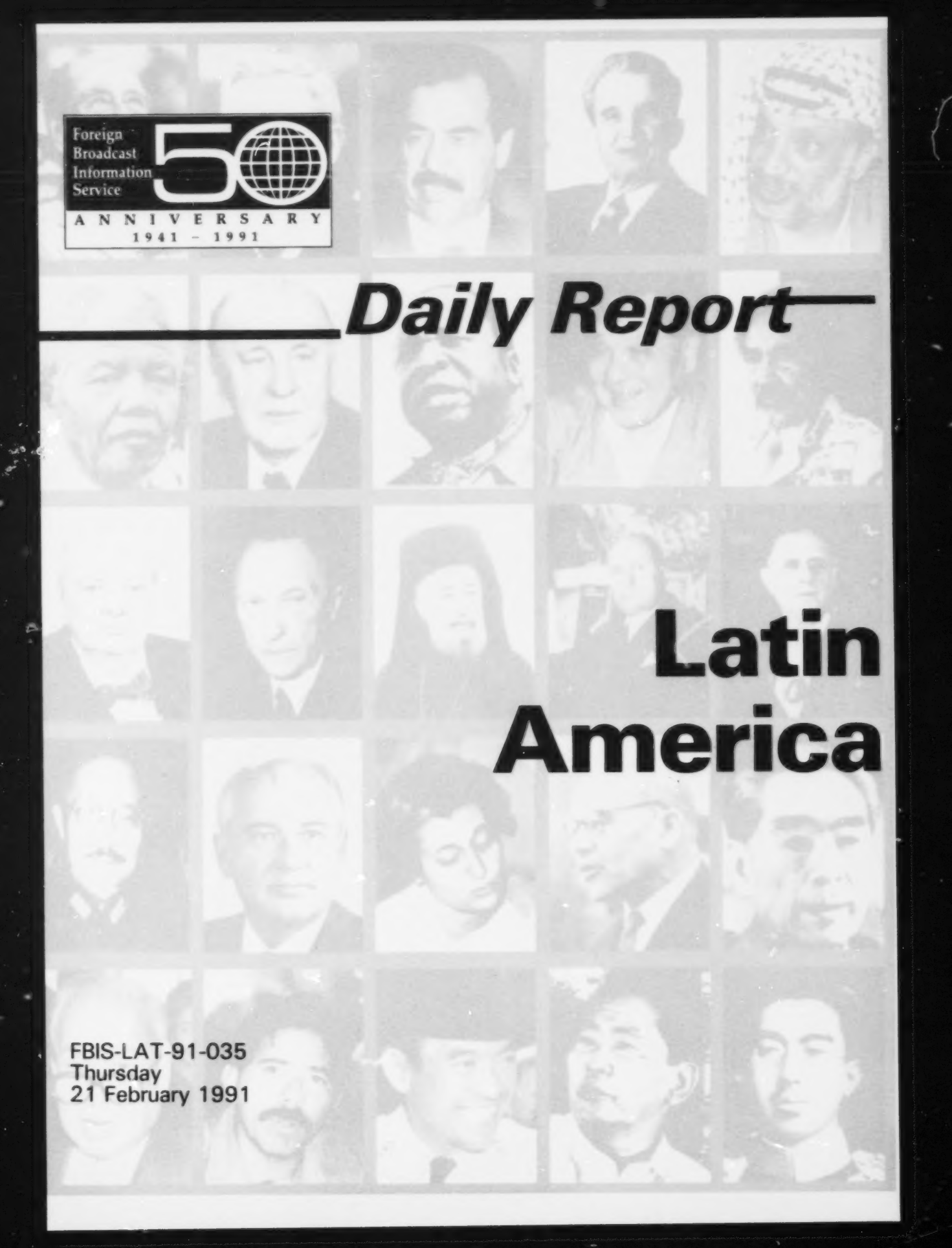

Daily Report

Latin America

FBIS-LAT-91-035
Thursday
21 February 1991

Daily Report
Latin America

FBIS-LAT-91-035 *21 February 1991*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Meets With Reporters in Havana 14 Feb *[Havana TV]* 1
Castro Speaks at Opening of Santiago Deaf School *[Havana TV]* 7
Castro Tours Santiago Research, Tourism Centers *[Havana TV]* 8
Ministry Confirms Representation of Iraq in Italy *[Havana International]* 8
Nurse Returns, Comments on Situation in Iraq *[Havana Radio]* 8
Commentary: Iraq Gave 'Pretext' for U.S. Moves *[Havana Radio]* 9
Commentary on Preparations for PCC Congress *[Havana International]* 9
Provincial Assessment Assembly Process Viewed *[Havana TV]* 10
Geographical Study on Keys Region Concluded *[Havana TV]* 10

Inter-Caribbean Affairs

Large-Scale Tourism 'Regional Marketing' Urged *[CANA]* 10

Antigua and Barbuda

'Sufficient Evidence' for Charges Against Safarti 11
New Proceedings Advocated *[CANA]* 11
Opposition Plans Demonstration *[CANA]* 11
Charges of Concealment Raised *[CANA]* 12

Bahamas

Bahamasair Terminates 152 Jobs in Survival Effort *[CANA]* 12

Bermuda

Budget Places 'Brunt of New Taxation' on Rich *[CANA]* 12

Dominican Republic

Plans Announced To Establish Ties With USSR *[Santo Domingo Radio/TV]* 13

Grenada

$20 Million Lome IV Trade, Aid Accord Signed *[CANA]* 13

Haiti

Government Announces Members of New Cabinet *[AFP]* 13
Formal Appointment Decree Read *[Port-au-Prince Radio]* 14
Officials Address Crowd at Swearing-In Ceremony 15
Aristide Stresses Legality *[Port-au-Prince Radio]* 15
Prime Minister Preval Speaks *[Port-au-Prince Radio]* 15
Political Leaders React to Cabinet Appointments *[Port-au-Prince Radio]* 16
FADH High Command Announces New Transfers *[Port-au-Prince Radio]* 17

Jamaica

Telephone Workers Receive 40-Percent Wage Hike *[CANA]* 17
Manley Investigates Relief Supply Disappearance *[CANA]* 17
RECORD Reports Staff Reductions *[CANA]* 18

Netherlands Antilles

Illegal Immigrants Being Rounded Up, Deported *[CANA]* 18
New Party Led by 28-Year-Old To Call on Youth *[CANA]* 18

Trinidad and Tobago

Labor Minister Intervenes in Attorneys' Strike *[CANA]* 18
Finance Minister on Current Industrial Climate *[CANA]* 18
Union Leader Threatens Picket at Caricom Meeting *[CANA]* 19

CENTRAL AMERICA

El Salvador

Arena Mayoral Candidate in Cinquera Kidnapped *[San Salvador Radio]* 20
FMLN Communique Seeks Halt to Military Actions *[Radio Farabundo Marti]* 20
FMLN Says Government Position 'Has Hardened' *[ACAN]* 21
FMLN, Government Discussing Cease-Fire *[Mexico City NOTIMEX]* 21
Democratic Convergence Calls for Cease-Fire *[San Salvador Radio]* 22
Prosecutors Said To Identify Massacre Masterminds *[Radio Venceremos]* 22

Guatemala

Deputy Calls Relations With U.S. 'Good' *[SIGLO VIENTIUNO 17 Feb]* 22
Progress in Debt Renegotiation Questioned *[SIGLO VIENTIUNO 14 Feb]* 23
Government, Army Condemn Killing of 10 Patrolmen *[Guatemala City TV]* 23

Nicaragua

Media Director Says Bermudez' Killers Identified *[Mexico City NOTIMEX]* 24
Health Workers Threaten To Step Up Strikes *[Managua Radio]* 24
Strikers Evicted From Ministry *[Managua Radio]* 24
First ROC Ambassador Since 1985 Assumes Post *[Taipei CNA]* 25

Panama

Supreme Court Judge on Treaty Renegotiation *[Panama City Radio]* 25
Four Arrests Ordered for Priest's Murder *[LA PRENSA 19 Feb]* 25

SOUTH AMERICA

Argentina

Government Supports 'Any' Peaceful Gulf Proposal *[TELAM]* 26
Di Tella Views Proposals *[Buenos Aires Radio]* 26
Ship Departs for Support Mission in Persian Gulf *[Madrid EFE]* 26
Navy Ship To Provide Logistic Support in Gulf *[TELAM]* 27
Congress Approves Tax Package; Changes Detailed *[BUENOS AIRES HERALD 19 Feb]* 27

Brazil

President Collor Launches Forestry Program *[Brasilia Radio]* 28
Sao Paulo Workers Protest Autolatina Layoffs *[Madrid EFE]* 28
Bahia Cacao Growers, Siberians Discuss Trade *[O GLOBO 15 Feb]* 28

Jan Trade Balance Records $1.347 Billion Surplus *[Brasilia Radio]* 28
Supply, Price Department Director Resigns *[Rio de Janeiro TV]* 28
* Seven More Firms To Be Denationalized *[O ESTADO DE SAO PAULO 15 Jan]* 29
* Nov Industrial Production Down in All States *[O ESTADO DE SAO PAULO 15 Jan]* 29
* Economists Define Various Scenarios for 1991 *[EXAME 9 Jan]* 30

Chile

Chilean National Airline Flight Crashes *[Madrid EFE]* 32
Plane Crash Kills 20 *[Santiago Radio]* 32
Correction on MIR Views Rettig Committee Report 32

Colombia

Brother of Prisco Gang Leaders Found Murdered *[Mexico City NOTIMEX]* 32
Terrorist Attacks Planned on Military Facilities *[EL TIEMPO 12 Feb]* 33
* Counterterrorism, Anti-Drug Policies Criticized 33
* Silence Erodes Confidence *[EL TIEMPO 27 Jan]* 33
* Stronger Institutions Urged *[EL TIEMPO 28 Jan]* 34

Ecuador

Twenty-Two Killed in Air Force Plane Crash *[Madrid EFE]* 35
Court Authorizes Borja To Travel to Europe *[Madrid EFE]* 35
Borja Scores Husayn, Deplores Persian Gulf War *[Quito Radio]* 36
* Medina Proposes Reform of New Anti-Drug Law *[HOY 6 Jan]* 36

Paraguay

Police Hunt for Palestinian Terrorist on Border *[HOY 20 Feb]* 37
Finance Minister Resigns for 'Health Reasons' *[Asuncion TV]* 37
Rodriguez Confirms Resignation *[ABC COLOR 20 Feb]* 38
Minister Negotiating Meat Sale to Saudi Arabia *[NOTICIAS 19 Feb]* 38

Peru

Farmers, Slum Dwellers Clash; Six Killed *[Madrid EFE]* 39
Lima Apologizes for Attack on Egyptian Embassy *[Madrid EFE]* 39
Attorney General on Release of Seven Terrorists *[Lima TV]* 39
Cholera Cases Reportedly Increase to 22,497 *[Madrid EFE]* 40
* Terrorism, Drug Trade's Effect on Mining Noted *[EL COMERCIO 5 Jan]* 40
* Ayacucho Deputy on Shining Path Developments *[EXPRESO 11 Jan]* 41
* Contents of New Shining Path Newspaper Reviewed *[EXPRESO 4 Jan]* 42

Uruguay

Congressional Committee Condemns Iraqi Invasion *[Montevideo Radio]* 43
Gold Reserves Sold To Buy Back Foreign Debt *[Madrid EFE]* 43
Economy Under Secretary Herrrera Resigns *[Montevideo Radio]* 43

Cuba

Castro Meets With Reporters in Havana 14 Feb

FL2002170091 Havana Cuba Vision Network in Spanish 0200 GMT 16 Feb 91

[Interview with President Fidel Castro by unidentified reporters at El Castillito cultural-recreational center in Havana on 14 February—recorded]

[Text] [Castro] [Words indistinct] work, recreation, the spirit of sacrifice [passage indistinct] and are only possible in the revolution.

[First reporter] Commander, I believe that this project is, in a way, a result of the tourist investments which have been made a reality by the people. What do you think about this?

[Castro] This is an anti-tourist facility. [laughter]

[Second reporter] What do you mean by anti-tourist?

[Castro] Sure, I am going to tell you why. El Castillito had first been thought of as a tourist investment like many others we are making throughout the country. At the time we were also analyzing a program for young people. We discussed a program of activities with Robertico [Roberto Robaina, first secretary of the Union of Young Communists [UJC], and with the UJC comrades. So we debated this a lot. Then we considered the place and location. We took into account that a tourist hotel was being built here beside the Riviera. We took into account the student activities in this area. We considered a program the young people were carrying out with a number of ideas about using the Malecon [seawall area].

So we came to the conclusion that the best use for El Castillito was not for tourism, but for these activities we have dedicated it to: recreation for young people, young people in general, students, and workers. So this was how we did it thinking in Havana a lot, within the context of our problems, of what we should do and how we should do it. The balance tilted towards dedicating this to these activities.

It was not a project done by chance, it was well thought out. What it meant for tourism, in terms of income and expenses, was considered well. We always used the premise that we need to find a balance in all things and everything that is done. The decision was made over a year ago. Let me tell you that we had not yet entered the special period. Had we been on the special period we would have had to consider everything again. A year ago, the work was examined closely when work was being done in this installation. They [not further identified] had suggested that this installation not be used for Armed Forces activities but for some economic or tourist activity [words indistinct] tourism.

The situation continued to be assessed later. Cubanacan was going to get this, Cubanacan has some tourist installations in the capital. [Words indistinct] did some lobbying work and everyone agreed—among them Cubanacan, which I understand later helped a lot in the construction and the creation of conditions for this center. This is how it was finally decided to use this facility for this. Even though we are now in the special period and we do not know what the special period will bring us—everyone knows that it can be even much more difficult—I am especially happy today to see the installation operating. I had no doubts. I am happy that we can use it for these kinds of recreational activities.

[Second reporter] Commander....

[Castro, interrupting] What we did was make calculations—give me just a second—we made calculations. This was based on the principle with which we have opened different kinds of centers, different kinds. [repeats himself] For example, a brilliant solution was found for Expocuba. Expocuba is an installation for expositions. Expocuba does not [words indistinct] many times during the year Yes? No, Pabexpo.

[Reporters] Pabexpo?

[Castro] Pabexpo. It was an installation for expositions but it was not used during a large part of the year. Then the idea came up that Pabexpo could be turned into a recreational center—with relatively little expense—when it was not used, without affecting the exposition activities and without sacrificing a single centavo of the country's income. That installation is being used for two things. We are very satisfied with what has been done there. That was an idea given and suggestion made by [words indistinct].

This is an example.... [changes thought] If you allow me I will explain to you the idea and philosophy behind all this. You know the history of Expocuba which was built to create a permanent exposition for the achievements made by science and technology in the country and also for international expositions. It cost a certain amount of foreign currency. Some argued whether it should be built or not. The minibrigades built it. That center brings a certain amount of foreign currency every year. It finances itself because [words indistinct] although its purpose was not to make money. Its purpose was to be a permanent exposition facility. We are doing it in a very economical way. It has also turned into a recreational center for all people, especially young people.

This is an example of how something that was created with one purpose can be used for others. This is a very important idea. We set ourselves to achieve that goal. The Expocuba collective has made a great effort and we have been able, not only to maintain but, to improve services.

There is a restaurant there that has not been completed. It has been built slowly. It began to be built before the special period began. It is partially built and we will probably complete it. I want you to know that everything is calculated to a T, the spending an institution will entail, especially if some imports need to be made. No

resources given to these centers are taken away from others. There is no sense in creating a new center by taking away resources from another one. Each one of the things that are done need to be done with new resources.

This is a good example of how work can be done with efficiency, quality, and usefulness for the country with minimum costs and even provide some income. Some tourist income is generated there from international expositions, enough for its maintenance and to recover part of the investment made. In addition, it has benefited the botanical garden and the [words indistinct].

After the Expocuba experience, we decided to improve services at the Lenin Park and the zoo. We looked here and there for some resources for food facilities. At the same time, the UJC did some work in the old Cuba Pavilion. What was that called?

[Unidentified speaker] [Words indistinct].

[Castro] Cuba Pavilion. It established a number of things there. Progress is being made in this field. We now have this one and the idea of the Malecon. We need to make all the effort so that this center maintains top quality services in the same way we did in Expocuba.

We will guarantee some recourses, especially supplies for the restaurant and coffee shop. This is not the only thing we have. I was telling them that pizza was our greatest pain, our biggest headache. [laughter] I said pizza because of the cheese. The norms established who knows how long ago say they require 2 and ½ ounces. This is an expensive product. Milk is basically used in the country to make yogurt. No [corrects himself], fresh milk and yogurt. A small amount of milk is used to make cheese such as cream cheese and other things. We used to receive supplies from abroad, certain amounts of butter and Bulgarian cheese. They were enough to at least maintain the levels of those supplies. Those amounts are not being received now.

This is why I said pizza, with its 2 and ½ ounces of cheese, is going to give us the greatest headache. I do not know if they can use a little less. If they use less of what the norm says we are criticized. If they use that amount we go broke. So, pizza may be the most expensive thing in this new institution. I say this so that the population knows about it. It costs us more than chicken and other dishes that are going to be available here.

The ice cream is fantastic. The fruit ice cream is a truly new thing. We have bought [words indistinct] several months ago, many months ago. They are going to be available in these places in the city. When they saw the international exposition in Expocuba they were very interested in this fruit ice cream production line. It does not contain oil, milk, or anything but grapefruits, limes, pineapples, oranges, and bananas. That ice cream line is fantastic. I tasted it. Some of the things are a little bit too sour for my taste. I believe they will have to improve some of them.

We are also going to have other lines for [words indistinct] at least the ice cream, chicken, we are going to do everything possible, we are going to do everything possible [repeats himself] [words indistinct] pizza as long as they do not sell a million pizzas a day here. If they sell a million pizzas [passage indistinct] I think it is historical and I do not know what but you know how these things are.

I explain this to you because we believe it is basic. This is what has been done in all this program so that we can guarantee supplies. There are programs that are expanding such as, for example, hamburgers because of the pig breeding plans. It is possible that we [words indistinct] also the hamburgers. Popcorn and those things are also important as well as those parties the UJC is organizing. I believe that one of the most extraordinary virtues and merits the UJC has is that it organizes them without alcoholic beverages. This is the greatest achievement. This is the case in Expocuba, Pabexpo. This had already being done in Playas del Este and some other places. It had also been done in camping sites. It has been shown how the young people can be happy in a healthy and orderly way. They are not only happy and orderly but enthusiastic and expressive, without the need for alcohol.

All those things they give there can be .... [changes thought] Candy. This is within the limited resources we have at this time. We are going to maintain these things if the situation gets worse. If the situation gets very, very difficult, we will see what we can come up with. If we cannot offer popcorn, we will offer plantain chips. Did you hear? [laughter] Popcorn and something else [words indistinct].

Difficulties can come at any given time. They will not last long but resources could be reduced again at a given time. The idea is to make all the [words indistinct] effort so that the things created for youths can be maintained with the same quality. It is not very costly. I can tell you that the country's spending is not big, it is relatively small, minimal. Today even small things become great undertakings in light of the situation we are experiencing. I am convinced that these are very good and novel ideas. I believe that they are very important for our youth. Therefore, the government, the party, and the state, will grant them their complete support.

Well, the UJC is not exclusively devoted to this activity. It is not solely involved in recreational activities. It is also making important things in the labor sector. As an example we have the Young People's [Computer] Clubs. I believe this to be one of the most brilliant ideas ever. This idea is the result of a youth initiative that came up during an Expocuba exhibit.

I thought this was such a good and brilliant idea that I got interested in it. I talked to youths, I asked them what was needed to continue expanding the clubs. I believe this is one of the most brilliant things.

I do not want to give more information but there are [words indistinct] tens of Young People's Computer Clubs. The most important thing is that we will soon inaugurate the Central Palace. This is something new that we were going to do when whenever we could. We were going to build it in a good place next to the ICRT [Cuban Institute of Radio and Telvision], in a good place. [repeats himself] We are planning to build a good building. We cannot do it now but a building became available. It had been used for the parallel market and those things. [laughter] It had turned into a place where people stood in line for pay [words indistinct]. We decided to close the parallel market when those things were introduced in the ration book or were regulated so that not only the ones who stood in line for pay or those who could pay those who stood in line for pay receive things. That building was left idle. A great idea came up which was to turn it—temporarily—in Central Palace of Young People's Computer Clubs.

Other distribution centers are being built. We are building over 150 little markets. We are building four agricultural distribution centers linked to [words indistinct] how important it was for that place which could serve some thousands of residents be used for the Central Young People's Computer Club or national center. I do not know how they are finally going to name it: Central Computer Palace. It is going to be extraordinary. All the young people and children of the city will be able to go there. It has everything. The center is going to be marvelous. It is of a different nature. It is recreational but also educational. It teaches our youths to master computers. The Young People's Computer Clubs allows professionals who did not take computer classes at the university to learn about computers. Life does not work nowdays without computers.

I believe we are going to be a model country in computer (?services). Within a few days we will inaugurate another institution which is very economical. Aside from equipment being installed there, everything that is being done is very economical. Nobody should think that resources are being wasted. Things are being done with minimum resources.

Discotheques are being built in the same way. An insignificant amount of resources has been used in all that. I believe, however, that they are excellent things for the emotional state of the population and the young people. It shows that if resources are managed well new things can be done even during difficult times. This is what we are doing within certain limits. We want to build [words indistinct] we first built.... [changes thought] How many did we build, Robertico?

[Roberto Robaina] We built 56.

[Castro] No, but the first ones were built in the provincial capitals.

[Robaina] There were 15 in the city and 15 on the rest of the island. There were 30.

[Castro] Thirty.

[Robaina] [Words indistinct].

[Castro] This year we will have at least 150. We plan to have at least 250 Young People's Computer Clubs. A project was designed for the installation and we are now using houses and other places. I am not going to expand on the many activities young people are involved in the productive sphere and in strategic productive spheres in agriculture, construction, and many other things. We must also take into account the excellent work the young people are carrying out in many sectors in which they are playing a preponderant role and in those areas where the party wants to grant them a special role; for example, in the education sector.

All this began during a UJC meeting of the about 160 basic secondary schools from which we received news of problems, and many concerns. Well, we asked the UJC: Help the revolution study all these issues and resolve these problems with the means and resources available.

The UJC has adopted its own style. They visited all the provincial bureaus and committees. It is within this framework that I have just visited all the camps in Pinar del Rio. The kids doing vacation time agricultural labor in the fields are over there and have had a brilliant year. Undoubtedly, the recognition of society and of the young people have played a very important role in this as well as the visits and the meetings with them. All this is very good.

It is within this framework that the UJC recently toured all the Blas Roca Contingent camps. They had excellent meetings with the workers, meetings of mutual support and understanding and education.

They toured the pre-university schools a few days ago, the more than 50 pre-university schools, to address all the problems. This does not mean we will be able to immediately resolve all the problems. Through the press, I have always closely followed all their tours, the proposals that were made. During this tour through the pre-university schools in Havana Province we were able to witness that there are many institutions facing many problems, such as the Romania School, and others where the issue of maintenance had come up. Right now this is an important problem in view of our current situation and of the very limited resources we have available, which may become even more limited in the near future.

We must study what to do. When one makes visits and tours, one finds problems of this nature. We become aware of them, at least we ask what we can do. Although we cannot solve all problems, at least we can tackle the most serious and critical problems.

We believe that it can be done. We see what can be done. We have those needs everywhere. We have had for a long time. They did not come during the special period. The

difference is that now we have fewer resources available and we must be much wiser to better manage these resources.

The UJC has also toured the shops where the technological schools are assembling bicycles. All those tours are a very important contribution to the country's struggle during the special period. Perhaps I have not remembered them all. We have mentioned a few.

[Unidentified speaker] It is going to tour the investigation center.

[Castro] Oh, the investigation centers. That is also extremely important. The UJC is greatly supporting the country and the revolution with those activities at a time in which the revolution needs it the most. This is why [words indistinct] Do you understand? Oh, I believe the UJC is going to tour the some 60 or 70 agricultural camps in Havana Province. Those activities have an enormous economic value. They are fundamental activities. Whatever small spending we make in this area does not have that much impact. Well, I responded to the question.

[Third reporter] Could you tell us how do the events in Eastern Europe impact Cuba?

[Castro] It is disastrous for Cuba and Third World countries. This is the result. This is aside of our absolute respect to the right of each country to do what it deems more appropriate. We have maintained very good relations with Poland. We have always respected Poland a lot. We respect any kind of changes they may make. It is our duty to respect them. You have asked about concrete results and in the economy they have had disastrous results because CEMA, which was an institution in which our economy was based on, disappeared. Trade with these countries, on which our economy was based on, disappeared. It was not our fault. These countries have turned to the West. They are basically expecting big loans and aid from the United States and other countries. They have forgotten of the Third World and countries such as Cuba which is blocked by the imperialists. Cuba is more and more blocked. As a result of such changes, which we respect, Cuba has been deprived of a very important support base.

Thus, the economic results for Cuba have been disastrous. They have been very good in the spiritual area because they force us to face a very big challenge, to test our revolutionary qualities, our patriotic virtues, our ability to overcome the difficulties in spite of those gigantic obstacles because of the imperialists we have as neighbors. As far as this is concerned, I think our virtues will multiply and, as usual, our people will become greater.

[Second reporter] Commander....

[Fourth reporter, interrupting] [Question indistinct]?

[Second reporter] Excuse me, ladies first. Today is 14 February, it is Valentine's Day, and in Cuba we talk about love and we are all very optimistic. In other places of the world, however, thousands of people are being killed, Commander.

[Castro] Just yesterday we heard the news, as you have seen, about Iraq, about those sophisticated bombs that have killed more than 500 people in a bomb shelter for women and children. It is one of the most painful and traumatic things we have seen in recent times and one of the things that reflects to what lengths the imperialist's insensitivity and lack of principles can reach. Those imperialists feel so powerful today, they feels they are the only power in the world today, and they feel they are able to dictate laws to the world, laws for those who are willing to accept them but we are among those who will never accept those laws.

You all know our position on the Gulf problem, on each of the incidents, what things we have condemned about the Iraqi actions and what things we have categorically opposed at the UN—the meddling, the bossing around, you could call it, the manipulation of the United States, by the United States, using all its power over that body, the Security Council.

I think that the UN has made one of the biggest and most repugnant mistakes in its history in authorizing this war. We said that it was war on a deadline, that it cut off any chance for peace. We think that the problems could have been solved without war. Now you can see how the United States and NATO are launching their might against a Third World country.

Whatever mistakes that country may have made, the fact is that this is genocide, this is a plan to take over the oil resources of the Middle East, this is a plan to establish their hegemony in that region. We can never agree to this, just as we cannot agree with the UN having agreed... [rephrases] having given its blessing to this repugnant crime and this genocide.

I wonder if the UN would have done the same if a nuclear power were involved, for example, France, the UK, the USSR, the PRC, or any other. I wonder if the UN would have declared war and in so doing, the end of the world. Then we have a United Nations, and a UN Security Council, that was unable to condemn the United States for the Grenada invasion, that was unable to condemn the United States for the Panama invasion. They are still there, invading Panama. All the UN resolutions they have applied against Iraq could have also be applied against the United States regarding the Panama invasion.

We also have the occupation of the Arab territories by a U.S. ally; that is, Israel. This means there is no equity. There is no parity. There is a double standard, two different yardsticks for measuring the conduct of nations. The fact is that, using Iraq's mistakes as a basis, the United States is carrying out one of the greatest genocides. It is completely destroying the country with impunity. It has turned it into a firing range for its sophisticated weapons.

No one knows yet how this will end. Aside from the differences we may have regarding mistakes made, the resistance of the Iraqi people is truly admirable. All this is truly sad evidence of what is taking place in that part of the world.

I do not know if Valentine's Day is commemorated worldwide, if every country, each hemisphere, commemorates this day on different dates. You probably know this better than I because journalists are constantly asking questions. [laughter] So, I do not know if Valentine's Day is a worldwide celebration....

[Several reporters] It is commemorated in many parts of the world. It is commemorated on this date throughout Latin America....

[Castro, interrupting] In Latin America. I do not know if in Latin America....

[Second reporter] In Europe, too.

[Fifth reporter] For the BBC, what do you believe will be the impact on Third World countries of an eventual Iraqi defeat?

[Castro] Look, the Iraqi thing will be the same as always. What may happen is that there will not be an Iraqi defeat but a Pyrrhic victory for the imperialists, because the resistance that Iraq has shown against the might of the United States already constitutes a great moral victory. There is absolutely no doubt about this. It is shameful that now, one month after the start of the war, the United States has not dared to send a single solider [into combat]. It only wants to wage a technical war, with sophisticated weapons and without casualties.

Never in the history of the world has such a powerful nation been so fearful of sending soldiers into combat. They cannot say anything to us, because we had to wage a war against South Africa, 10,000 km away, and with what means, what resources, and what was the correlation of forces? We faced the problems when they came up. However, the United States, this superpower with 500,000 soldiers, thousands of tanks, thousands of planes, does not dare to wage a ground war. It is incredible that the United States is showing such fear, such excessive prudence. It only wants to drop bombs, bombs, smart bombs and guided bombs, and use equipment.

What is taking place there is one of the crudest crimes in history. This is a fact. This is why I say: This is a great misfortune for the world. The Third World has already suffered the consequences of this war. It is already suffering the consequences. It is already suffering the consequences with the oil prices. It has already suffered the consequences through the economic crisis this war has brought on. Countries that depend on tourism have already experienced the consequences through the slowdown of travel worldwide. In addition, we still do not know the extent of the consequences of this war. So, the Third World is already paying the price for this war.

In addition, we must also look at what a world dominated by the United States would mean. We must be willing to fight against this, to fight until the bitter end. We Cubans, who have already learned many lessons from this, should learn new lessons on how to confront this empire. The dream of dominating the world is an impossible dream if the world is willing to fight, and sooner or later the world will be willing to fight. Cubans will be among the first who are willing to fight, or rather, we have been among them for a long time.

So, those are the consequences, but the lessons are also very useful for all the countries of the world, particularly those of the Third World.

[Sixth reporter] Could you briefly comment, Commander, on Cuba's position regarding [words indistinct]?

[Castro] The Security Council is beginning to be disgusting because nothing can be agreed upon there. Nevertheless, there is resistance there. There are a few countries that save the little honor that that institution has left.

Nothing else? If there is nothing more [words indistinct].

[Seventh reporter] I would like to know what possibilities young people from other provinces—because I do not like to refer to the interior—from other provinces [repeats] have of obtaining a center such as this perhaps at another time.

[Castro] As a rule we have always followed, what began here is studied.... [changes thought] If we begin minibrigades here, we have minibrigades there; a certain type of school is built here, then the schools are built there; child care centers are built here, then child care centers are built there. There is always a year of lead time. Many times ideas come up .... [changes thought] Special education schools are built here and are then built in the rest of the country. This is why you see the Young People's Computer Clubs are created here and are then created in the rest of the country.

I believe that there nothing has been done in the capital that has not been extended to the rest of the country; in sports, culture, in every area. If Camilito Schools are built here they are also built in the rest of the country. If sports schools are created here they are also created in the rest of the country. If vocational schools are created in Havana, they are also created in the rest of the country. I think I could mention some 20 things which began here—among the minibrigades—and were taken to the rest of the country. This is our philosophy and our policy. Discotheques were created here and then they were created in the rest of the country. [laughter] Roller-skating areas were created here and then were taken to the rest of the country. Blunders here and no blunders in the rest of the country. [laughter]

[Seventh reporter] Speaking of sports, Commander, how are the Pan-American Games going?

[Castro] The Pan-American Games are going very well. This has been one of the emblems, one of the banners we have held high. It is something that was planned years ago, as I have explained. We are completing it during the special period but we are going to complete it. We are not people who back off. We do not begin things and leave it toward the end. I believe this is.... [changes thought] Even if it is on a bicycle, even if it is on a bicycle [repeats himself]—there are going to be plenty of bicycles for the Pan-American Games—we are going to the Pan-American Games even if it is on a bicycle. Do you understand? This battle has already been won. The people have made an enormous effort. They have worked voluntarily there, who knows on how many million projects. The country has incurred in the spending to have events here that are going to be the pride of the country here and in Santiago de Cuba also where some events are going to be held. [chuckles]

Everyone took advantage of the Pan-American Games. Everyone takes advantage of the situation. The ICRT [Cuban Institute of Radio and Television] said we need this and that, the electric power industry said this and that, everyone asks for things every time there is this type of event. They are asking for things that the country needs.

All those needs were met more or less. Of course, we are going to have our Pan-American Games even if we have to get there on skates or on bicycles. I believe Vazquez Rana [International Olympic Committee official] is coming to visit us today.

[Seventh reporter] Yes, he is arriving today.

[Castro] He is arriving today. The people are working and working. Progress is being made. I believe everything will be completed on time. Landscape work is being done in many of the installations. This is what is left. I think that we will be able to have the Pan-American Games here in spite of the special period. Of course, we hope that the world is not involved in a greater disaster, that is not involved in a larger war. Unfortunately, all these events have an influence on sports events. There are many people who do not want to travel because there is a lot of fear of certain acts, of explosives, and all that. They say there is a terrible fear in Europe and that airlines are not traveling at this time. I do not understand how there are some foreign reporters here [words indistinct].

[Reporters] They have flown on Cubana Airlines.

[Castro] It must be Cubana Airlines. This is why they are not fearful. That one comes and goes without any problems. Well, it could be delayed a little but it arrives late less and less, less and less. [laughter]

[Seventh reporter] Now that the reporters get the bicycles, because we still have not gotten the bicycles....

[Castro, interrupting] The reporters have not received their bicycles? Is this true, Robertico? How is it possible that the reporters have not received their bicycles?

[Robaina] We will give it to them. There is no problem. We will find them.

[Castro] Some 40,000 bicycles have been distributed. Some 40,000 have been distributed even if it does not seem like it.

[Seventh reporter] Basically to students. Is that not so?

[Castro] To students and workers. Some 20,000 bicycles have been distributed to workers so far. A number of them are being assembled. We have some 200,000 here and 500,000 are on their way. Let us see how many more we will assemble by the time the Pan-American Games are held. That is going to be the sporting event in which more people are going to exercise in the history of the world because everyone is going to be riding a bicycle. [laughter]

[Fifth reporter] Commander, for the BBC....

[Castro, interrupting] How many times are you going to ask questions for the BBC? [laughter] That cannot be.

[Fifth reporter] There are a lot of comments in Europe and in England that the [passage indistinct] but not the same opinion about the young people.

[Castro] Is it my fault if they are blind? If they suffer from retinitis pigmentosa they should come to Cuba and undergo surgery here. [laughter] [applause]

[Sixth reporter] [Question indistinct]?

[Castro] No, tell me. I do not have a time limit. I love to talk to you but the audience is going to be bored if we extend this interview too much. Then the television edits it and only broadcasts five minutes. [laughter] This is why I believe in the morning—what is that program called?

[Reporters] Morning Magazine.

[Castro] They carry something in it. Well, how is Roque Santeiro [Brazilian soap opera] doing?

[Reporters] Oh!

[Castro] [Words indistinct].

[Reporter] I watch it every day.

[Castro] You watch it every day. I heard someone say that a lot of electricity is going to be consumed now but between baseball and Roque Santeiro .... [changes thought] Let me tell you what I have lately. I went to more than one camp in Havana Province where the contingents are and I found that in one of them only two people wanted to watch Roque Santeiro and they could not watch it. [laughter] Since there were only two who wanted to watch it, they put Roque Santeiro in the two television sets. [sentence as heard] I found another

extremely democratic camp, with respect to the minority as never seen before, only two wanted to watch baseball and they were able to watch the baseball game. [laughter] So, there is a little bit of everything. I see that Roque Santeiro is exceptionally popular. We will ask the Electric Enterprise how power consumption is during those days.

It is being carried five instead of three days. Is that not so? What about baseball games? Are baseball games going to be carried on television or not?

[Reporters] On Tele-Rebelde. People will watch the final games because we watch Roque everyday. We can stop watching Roque for two or three days and can catch up with the plot.

[Castro] When is it going to repeat it? [laughter] If we had VCR resources we could tape and sell them. We could make a lot of money, but we cannot do that during the special period.

Well, it has been a great pleasure. It is not that I am going to [words indistinct] you time or anything like it but I do not want to bore you. We do not want to bore the audience. Alright?

[Reporters] Thank you very much.

[Castro] Very well, thank you very much. [applause]

Castro Speaks at Opening of Santiago Deaf School

FL2002155091 Havana Cuba Vision Network in Spanish 0237 GMT 20 Feb 91

[Speech by President Fidel Castro at the opening ceremony for the Eduardo Mesa Special School for deaf and hearing impaired children in Santiago de Cuba on 18 February—recorded]

[Text] [applause] [to signing interpreter] How do we do this now? It will be easy, right? [Interpreter answers: Yes.] Families, teachers, students, guests:

It is cold, is it not? Do you not think so? Is that how you say cold? All right. Tonight, as we have already said here, we are opening this school. In my opinion, it is a great school. Really, I like it a lot. Since we got here, I have liked everything they have shown us, with the participation of the students. Each student was doing admirable and very moving things. From the first moment we were able to observe the school's quality, the beauty of the construction, and especially this school's importance, the school's usefulness for all of you.

I had been remembering our program of special schools, of which we have built a few dozen, apart from those that had already been created during the years of the revolution. It had been our intention to finish this program within a few years. However, we cannot do so in the short term because of problems we now have. We have not lost the hope that in the future we will be able to continue this program.

I know quite a bit about the special schools because I have opened many of them, and I have been able to observe these schools' importance. I think it is one of the best things the revolution has been able to do, and one of the first things of a social nature that we will continue to do as soon as we have the chance again. We have not begun new schools recently, but it has been agreed that construction would continue on each of the schools that had been started.

So there are a few schools—in Santiago de Cuba Province itself I think there are about three more—that had been started. The same is true in the other provinces. So we intend to finish every school that has been started. Right here, next door to you, a school is being built for children who have visual problems. I talked with the comrades working in construction so that now when this school is finished, they will continue to work on the school next door. We will also finish a special school that is quite a ways along, in Santiago de Cuba Province, I think in Contramaestre.

This school which is being built next door to you is a school for children who are blind or have great visual impairment. It will be not only for students from Santiago de Cuba Province, but also for students from the other eastern provinces. How many students will that school have, [Esteban] Lazo [party first secretary in Santiago de Cuba Province]?

[Lazo] [Words indistinct].

[Castro] About 210 also. This is what the eastern provinces need.

I calculate that this is so, because there are two in Havana Province. I know there are two in Havana Province for the visually impaired. I do not remember how many there are for the blind. What is that? Two. For blind children?

[Unidentified speaker] [Words indistinct].

[Castro] There are two in Havana Province? For how many students?

[Speaker] [Words indistinct].

[Castro] Yes, yes, that is why I think that a school for 210 students will meet the needs of the five eastern provinces, and we cannot stop building these schools. I have the hope that one day we will be able to see them finished, and as beautiful as this school.

In recent days, as you know, we have inaugurated a lot of projects, I think about 20 projects. The party comrades in the province wanted to dedicate...[rephrases] or leave the inauguration of this project until tonight. I am really very happy to have been able to have this opportunity, to have been able to feel this satisfaction, and to have been able to meet all of you. Now I see that you also know me. Now I see that you are learning to speak. Now I see that you are learning to write. Now I see that you are learning music, that you are learning to progress, that you are

learning many things, that you have very beautiful classrooms with all that equipment and the laboratories.

I see that you have a magnificent group of teachers, excellently prepared, excellently prepared, [repeats himself] who know their tasks well, and who are completely dedicated to educating you. When I arrived here, I saw a quote from Marti, which is: Teaching is a labor of infinite love. If Marti had been able to see a special school like this one, what would he have said? If it is a labor of infinite love to teach at any school, one needs an even more infinite love to teach at a school like this one.

These schools also show us what people can do, what human beings can do, and what they can do with true love and true passion for what they are doing. I have seen you tonight, joyful, content, happy, happy, [repeats himself] knowing that you are going to learn a lot at this school, knowing that you are going to feel very good, knowing that you have one of the best and prettiest schools, and knowing—some of you more than others because some are older than others—knowing, I repeat, that you will be able to love your country a lot, love the revolution a lot, be useful men and women, learn trades, learn professions, learn everything you need to do things for others, to be useful to the country, to be able to live on your own resources, to make your families happy, to make your nation happy.

So we can always feel satisfied that the revolution can build works as beautiful as this, and always feel proud that our nation can have such excellent professors, teachers, and workers as you all.

I said that it was cold, so I am not going to go on at great length. Also, I have seen the interpreter working very intensely here, so I will finish, but you know how we finish our speeches. What do we say? Socialism or death, fatherland or death, we will win. [applause]

Castro Tours Santiago Research, Tourism Centers

FL2002151091 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Feb 91

[Text] Commander in Chief Fidel Castro has asserted that Santiago de Cuba Province is preparing for the 21st century. He was impressed by everything he saw and heard during his three-day visit to the cradle of the revolution. A tour that included important projects in the fields of tourism, science, water management, and the food program filled out the Cuban leader's view of the enormous effort for socioeconomic development being made in Santiago de Cuba Province, and he described this effort as impressive.

The first site he visited yesterday was the solar energy research center. Later the head of the revolution went to the in vitro plant cultivation center, where work to obtain plantain and banana seeds is being done to improve quality. Accompanied by Esteban Lazo, first party secretary for Santiago de Cuba Province, Fidel also visited some tourist facilities in the Baconao area.

Ministry Confirms Representation of Iraq in Italy

PA2102022791 Havana International Service in Spanish 0006 GMT 21 Feb 91

[Text] A spokesman for the Cuban Foreign Ministry confirmed today that, at Iraq's request, the Cuban Government has agreed to represent Iraq's interests before Italian authorities. The Cuban diplomatic representatives in Rome are currently conducting the necessary negotiations with the Italian Government.

Nurse Returns, Comments on Situation in Iraq

FL2102031591 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Feb 91

[Alexis Triana report from Holguin Province—from the "Exclusivo" program]

[Text] The following report will be an exclusive for the Exclusivo program. The Holguin Province television station has just broadcast a live and exclusive interview with a Cuban nurse who, amidst difficult conditions, has just returned from Iraq via Iran.

The TELE DIARIO AL DIA cameras showed Adria Games, chief of a brigade of 12 nurses who directed an intensive therapy ward in Baghdad. She had to be evacuated to Cuba because she sustained a leg fracture which requires surgery.

I wish I could convey to our audience the anguish in the voice of this true revolutionary who was on duty in Iraq for 16 months, and who shared with and directed some of our fellow Cubans in this sister-nation.

The words she repeated the most when answering moderator Aroldo Garcia is: It is terrible. She said: what they are doing to this nation is horrible. It seemed like the end of the world. Thousands of planes. The constant fall of rockets and bombs which attack without pity.

In addition, Adria Games said many Iraqi citizens are filled with indignation and depression because they have had no water since the first day [of the war] and no power since the second day. She also said that there is a shortage of milk for children and that there are no medicines. She asserted: Everywhere you can see children with fear in their faces and screaming at all times. The Cuban nurse added: It is terrible, horrible. She arrived in Cuba after covering 200 km to the Iranian border. She said this is the only route out of Iraq.

Adria Games explained that the majority of Cuban health personnel is centered in Baghdad. She said that the personnel from Holguin is centered at the (?Medical City) Hospital. She added this hospital has a good shelter, but she warned that no one can trust the Americans because, as you know, days after she left Baghdad [as heard], they launched a terrible guided bomb attack on a shelter harboring 500 civilians. This was a terrible massacre.

She also said the Cuban Embassy is in contact with the nurses and doctors amidst the bomb attacks, that they have no food problems, and that they are resolute in continuing helping the Iraqi people by saving as many lives as possible.

Moreover, she confessed with great anguish that if she had not been forced to be evacuated because of her leg injury, she would not be on Cuban television at this time.

The Cuban nurse asserted that the attacks started at 0228 on 17 January. She said that they rapidly put on gas masks because they were expecting a chemical attack. She added that there was no chemical attack. She explained that they rapidly went to the hospital to treat the wounded. She said that on the second day of the war, they received 40 dead and wounded and that many bodies were destroyed. She added there were not only military but also civilian victims.

This was the exclusive statement by this Cuban nurse, who returned from Iraq on 18 February via the Iranian border, to the TELECRISTAL television station in Holguin Province.

Commentary: Iraq Gave 'Pretext' for U.S. Moves

FL2002192591 Havana Radio Rebelde Network in Spanish 0032 GMT 20 Feb 91

[Lazaro Barredo commentary]

[Text] I do not want to seem skeptical, but I wonder, given the current peace initiatives for the Gulf situation, who is going to restrain the United States now? As has been said more than once, Iraq has handed them on a silver platter the pretext for introducing all their military power into the Middle East, shoring up their police force, Israel, and being able to control through economic pressure the sources of oil that supply their so-called allies; that is, the European Economic Community and Japan.

Those who voted in the UN in favor of military operations gave them carte blanche to do everything in a disguised manner. Who is going to take that mandate away from them now? Will the Security Council be able to reach some agreement about seeking peaceful solutions to the conflict when the lack of democratization in that forum makes more than visible their use of the veto against this, and the unconditional support of their allies is obvious? Are not all the visible figures of the U.S. power elite going along with Bush's obsessive idea about carrying out the attack, with the approval of the warlords?

It seems to me that it is too late for those who want to [words indistinct]. With Bush's rejection of all negotiation, this sin will not now obtain the priest's absolution. Many things have been ignored, and the price must be paid. Almost 35 years ago, prominent American writer and sociologist Ray Mills, with the help of the social research council at Columbia University, wrote a tremendous work entitled *The Power Elite*, warning about the dangerous changes that could occur in the United States if hawks reached the White House.

This U.S. writer said that, and I quote verbatim: In the United States the only plan seriously [words indistinct] is a loaded pistol to the mouth. In short, he added, it is thought that war, or a very active state of readiness for it, is the normal, and apparently permanent, condition of the United States. Is not Bush, as a former director of the CIA, quite close to the confluence of all the power groups in his executive branch? Are not the economic and political powers that be in the United States already publicly making their plans for advantageous business deals after the war?

The only thing that could put a brake on this—and this is more concrete proof—is the arrival of many green plastic bags, filling U.S. homes with mourning. It has yet to be seen whether this stir about U.S. jingoism, which is accustomed to always having the advantage in strength, will stop the hawks or not. This cannot be ruled out; hence, the fear up to now of starting the ground war. After the indiscriminate bombings of the defenseless Arab population, if the Iraqis turn this confrontation into a patriotic battle to defend their most sacred values, then things will not be so easy for the warlords.

History has its lessons. Without drawing an analogy, a country that succeeds in absorbing the concept of the war of the entire people will never be defeated. The Americans know this. They have a syndrome; Vietnam is like a constant souvenir.

Commentary on Preparations for PCC Congress

PA2102041791 Havana International Service in Spanish 0000 GMT 21 Feb 91

[Amalia Sanmartino commentary]

[Text] The date of 23 February marks the close of the prelude to the Fourth Communist Party of Cuba [PCC] Congress, which must begin in the first half of 1991. An in-depth analysis of the country's needs and possible solutions to these needs has taken place at more than 160 municipal and provincial PCC congresses, the last of which is to take place in Havana.

Some 80,000 [figure as heard] workers' congresses have democratically analyzed and debated the calling of the Fourth PCC Congress, which in most cases permitted the contribution of important deliberation. These discussions signaled the effective functioning of the processes of rectification of mistakes and negative trends, which began in Cuba in 1985. These processes are intended to perfect society's mechanisms and make the required structural changes without leading the country away from socialism, as the country's top leaders have stressed.

One of the main topics at the congresses, which were held at all levels, was our economy. The country is going through one of the toughest periods since the beginning of the revolution, due to changes in Eastern Europe, instability in the USSR, and the escalation of the U.S. blockade. Cubans replied well to the PCC's call to increase the people's participation in solving vital problems.

The PCC in turn freed itself of certain bureaucratic ties, significantly reduced personnel at all levels, and called on all citizens to outline the PCC's primary tasks. Prior to the PCC's provincial committee congresses, local newspapers published the main topics to be discussed at these forums. This allowed the people to become familiar with the goals of the congress. This new method links many more party members with nonparty members, at a time when everyone has been asked to help Cuba solve its problems.

Provincial Assessment Assembly Process Viewed

FL2102041691 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 21 Feb 91

[Omar George commentary]

[Text] The process prior to the Fourth PCC Congress concludes in the country with the holding of the Havana City assessment assembly. Each of the provincial party assemblies have had their own characteristics. Drawing from their individual experiences, each province has made a contribution to the analysis of current problems and the prospects of Cuban society.

These assemblies have also had many things in common. Among others is the treatment granted to what undoubtedly has been the most important ideological and political debate of the Cuban revolution: the discussions on the summoning of the Fourth PCC Congress.

The discussions of all the proposals made on that occasion have led to the holding of party assessment assemblies in each province with full awareness of the primary opinion trends on this document and its content. It has also led to discussions of complaints and demands which may be answered and resolved at the regional level.

This is because people did not attend this debate merely to make demands. The discussions on the lack of resources have derived solutions, that is, the current lack of resources did not result in demands. I believe this shows the collective conscientiousness with which this debate was undertaken.

Like in the other provincial assemblies which have already been held, the next and last provincial party assembly of this process, that of Havana City, also includes in its agenda, an assessment on this issue.

This is only logical because a debate on the summoning of the Fourth PCC Congress was not issued only to comply with a democratic proceeding. It constituted a valuable source of information for party actions. In light of this process, the masses have entrusted their party with new political responsibilities in leading our country's destiny.

Geographical Study on Keys Region Concluded

FL2002040091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 20 Feb 91

[Gladys Rubio report]

[Text] Division General Ulises Rosales del Toro, the FAR [Revolutionary Armed Forces] General Staff chief, has headed the decoration ceremony of the researchers who carried out a general study on the Cuban Keys region. Multi-disciplinary teams from the Cuban Academy of Sciences and the Armed Forces concluded this task in a mere eight months.

The Cuban Keys are a priority sector within the national economic development program. However, our country did not have sufficient scientific information available on these islands to implement tourism investments. In light of this, the Minfar [Ministry of the Revolutionary Armed Forces] and several institutions of the Academy of Sciences expeditiously developed a joint program.

We are already witnessing an immediate result of this program: A large-scale map of all the keys north of Villa Clara, Ciego de Avila, and Camaguey and those keys south of the Isle of Youth and the Canarreos has been completed. These studies also include geomorphological studies on flora, fauna, fishing biology, marine ecology, geographic faults for (?hydrotechnical) works, and the delimitation of areas suitable for tourism development.

Speaking during the decoration ceremony, Gen. Ulises Rosales del Toro referred to the benefits of joint activities that allow an overall study of problems. He added that this experience may also yield great results in other national sectors.

These modern studies place the geography of the main group of Cuban islands at the service of our national development. Science has rediscovered the Cuban Keys region.

Inter-Caribbean Affairs

Large-Scale Tourism 'Regional Marketing' Urged

FL1902181591 Bridgetown CANA in English 1446 GMT 19 Feb 91

[Text] St. John's, Antigua, Feb. 19, CANA—Barbados Hotel Association (BHA) president, Gordon Seale, says the Caribbean as a region should be marketed to help tourism, especially in the current slowdown caused by the Gulf war.

"Certainly this crisis emphasises the need for us to market the Caribbean as a region because as a region, we can make a major impact on the world tourism stage which is difficult to do as numerous small destinations," Seale said.

The BHA president outlined his ideas for pursuing regional marketing and other forms of collaboration to support regional tourism, as he addressed a seminar on Strategic Management in Hospitality Enterprises here Tuesday. Large-scale promotion, group trips, and target marketing can be pursued, he told senior managers from hotels, tour operators, and car rental owners at the seminar.

"We need to put some of our dollars together. We do not need to lose our individuality, which will be borne out in other island-specific ads. We should be out there right now with some large-space regional ads (which) individually we cannot afford," he said.

Seale also supported calls for a single regional carrier embracing Liat, BWIA, Air Jamaica, and the expertise of Japan Airlines: "This combination will assist us in opening up the lucrative Japanese market." Seale also suggested that more attention be placed on Europe, as the American market is now depressed by recession.

"Diversification of markets adds stability, but beyond this, the English language in most cases is the second language of Europe," the hotel official remarked.

He also suggested the use of target marketing in selective magazines, rather than overdependence on television ads which he believes are too costly.

Antigua and Barbuda

'Sufficient Evidence' for Charges Against Safarti

New Proceedings Advocated

FL1902154091 Bridgetown CANA in English 1333 GMT 19 Feb 91

[Rickey Singh report]

[Text] Bridgetown, Barbados, Feb. 19, CANA—Legal proceedings have been recommended against one cabinet minister, two senior civil servants, and a controversial Israeli businessman, in the latest probe into official corruption in Antigua and Barbuda.

The recommendations form part of a confidential report submitted to the government of Prime Minister Vere Bird into the Roydan Melon Farm Project, run by Maurice Sarfati, an Israeli businessman who also had been implicated in a 1990 probe into Antigua and Barbuda's link in an arms scam involving Israel and Colombia.

The probe, conducted by the U.S. law firm of Washington, Perito and Dubuc, was commissioned by the government. A copy of the report, submitted to Prime Minister Bird last December 19, was obtained by CANA (Caribbean News Agency).

The probe found there was sufficient evidence for the director of public prosecutions and the attorney general to initiate action for "criminal fraud" against Sarfati.

The report accused Agriculture Minister Hilroy Humphreys of having acted improperly in the execution of his duties in relation to "benefits extended to Roydan Farm." His removal from office was recommended "pending an investigation or proceedings."

The disclosures coincide with plans by Antiguan opposition parties, organised labour, the business community, and the church to stage a "Freedom From Corruption Day" event in St. John's shortly.

"The facts, as revealed in the documents and interviews, reveal conduct by certain public officials and private individuals that may be interpreted to fall along the entire moral spectrum from diligent, responsive, and commendable to negligent, reckless, and criminal...," said the report.

Contacted by CANA, Humphreys said: "I am not aware of the allegations made. I have not seen the report, and therefore I cannot comment." In reponse to further questions, that the report was now likely to be the basis of recommended legal action by the attorney genral and the director of public prosecutions, the agricuture minister said he had "heard all kinds of reports and comments." He insisted, however, that he could not comment on the findings of the U.S. law since he did not "take part in any investigation, or had access to their report."

Another cabinet minister named in the document, among those who had provided evidence to the investigators, told CANA, however, that "continuing divisions within the cabinet is affecting a decision on what the prime minister would eventually do about the report." Asking not to be identified, the minister said at least in the case of the 1990 illegal arms shipment scandal, a cabinet minister (V.C. Bird, Jr.) "had to quit office pending the findings of Commissioner Louis Blom-Cooper."

In their report, Washington, Perito and Dubuc noted they had been requested last September to undertake the investigation into Roydan Farm and its relations with the Antigua and Barbuda Government, as a direct consequence of issues that arose in the Blom-Cooper judicial probe.

The 82-page report is the result of three months of investigations that included interviews with 30 witnesses, among them cabinet ministers, and perusal of "thousands of pertinent documents from government files."

Opposition Plans Demonstration

FL2002133591 Bridgetown CANA in English 1137 GMT 20 Feb 91

[Text] St. John's, Antigua, Feb. 20, CANA—Antigua and Barbuda's opposition parties are planning a "Freedom From Corruption Day" demonstration next month.

Parliamentary opposition leader Baldwin Spencer said: "We are hoping to bring it off as soon as possible." He referred to a report prepared after British jurist Louis Blom-Cooper carried out an investigation here last year into the illegal transshipment of Israeli-made arms and ammunition through Antigua to Colombian drug traffickers in April, 1989. The report had censured the former works minister, Vere Bird, Jr., and the Defence Force chief.

"It is important for the people of Antigua and Barbuda to realise that post Blom-Cooper is important where the society goes," Spencer said. He said the Blom-Cooper report "clearly revealed that Antigua is the cesspool of corruption." The people of Antigua "must demonstrate their concern about it and show to the world that that is not the way they intend their society to be run," Spencer added.

"We consider that corruption has been just about the root of all the evils that have beset the society for well over the past decade or so, and that it is a question of whether or not we are just going to continue along this road or whether we are going to change course.

"I think those who have been the centre of this whole corruption situation must be told by the people of Antigua and Barbuda in no uncertain terms that 1991 is the year of action, the year of change, when positive steps must be taken to correct the image that we have all over the world," he said.

Charges of Concealment Raised

FL2002204091 Bridgetown CANA in English 1600 GMT 20 Feb 91

[Text] St. John's, Antigua, Feb 20, CANA—Antiguan opposition leader Baldwin Spencer is calling on the government to make public the confidential report of the U.S.-based law firm dealing with the government's relations with a melon farm owned by a controversial Israeli businessman. The Washington, Perito and Dubuc Report, obtained by CANA, recommended legal proceedings against a cabinet minister and senior public officials.

"The report which reported on an investigation which was sanctioned by the cabinet of Antigua looking into the Roydan Farm operations in Antigua and also the behaviour of ministers of government and other public officials in their dealings with Maurice Safarti should be made public," Spencer said.

He said the government had given an undertaking during last year's Louis Blom-Cooper probe into Antigua's involvement in an Israeli arms scandal, that the activities of the farm owned by Maurice Safarti, a principal figure in the arms scandal, would be investigated.

"The investigation was duly carried out, the report was received by the government, (and) up to now it has been concealed. We are saying that report ought to be published and in addition to that it also should be tabled in Parliament for debate as well," Spencer said.

Bahamas

Bahamasair Terminates 152 Jobs in Survival Effort

FL2002162591 Bridgetown CANA in English 1210 GMT 20 Feb 91

[Text] Nassau, the Bahamas, Feb 20, CANA—Bahamasair, the financially troubled state airline, says it has issued notices of termination to 152 workers. The terminations, involving management and non-management personnel, are part of the airline's restructuring programme aimed at keeping Bahamasair in business and solvent in the short term, the airline stated.

Bahamasair chairman Darrell Rolle said recently that the staff level, which at the time stood at about 840, would have to be reduced to 550. According to officials at the airline, the 152 people who received notice were employed at the Bahamasair operations in Miami; Fort Lauderdale; Freeport, Nassau; and other islands in the Bahamas.

Bahamasair officials said it was imperative to reduce staff due to a decline in business because of the weakening of the United States economy, the softening of the tourism market in the U.S., and the escalating fuel prices since last September.

They said that staff termination must be pursued as there is no alternative. Bahamasair continued to carry excess staff costing it $660,000 (U.S.) a month, even though it had long discontinued its services to the eastern seaboard of the United States, the officials said.

Rolle has warned that "if there is not the will, the courage to do what is necessary, the economics of the situation will force even more drastic action, perhaps even the complete demise of the airline."

Housing and national insurance minister, George Mackey, has said that at least 400 persons will have to be laid off if the airline is to survive. The opposition has charged government officials with abusing the airline and with political patronage.

Bermuda

Budget Places 'Brunt of New Taxation' on Rich

FL2002221091 Bridgetown CANA in English 2155 GMT 20 Feb 91

[Martin Gould report]

[Text] Hamilton, Bermuda, Feb 20, CANA—Bermuda's Finance Minister David Saul presented a U.S. 400 million dollar budget on Wednesday, placing the brunt of new taxation measures on the rich. Duty on luxury

cars, land tax, and stamp duty on property deals and inheritances were increased substantially, but Saul resisted the temptation to hit traditional money-spinners like alcohol, cigarettes, and gasoline.

"Those who enjoyed above-average income and wealth are being asked to provide most," the minister said during his hour-long budget speech which increases government revenue by 8.1 million dollars over the financial year which ends March. "The revenue measures place minimal additional burdens on the hotel industry and local businesses and will have almost no impact on ordinary wage earners," he added.

Saul's third budget was in stark contrast to the 1990 statement when he made the toughest measures. This year's budget came against a backdrop of rising inflation and a slumping economy. For the first time in decades, the island is experiencing unemployment, although only at a low level. Opposition leader Fred Wade said: "Dr. Saul appears to have learned his lesson and heeded the advice we gave him last year."

Saul announced that cars will face import duty of 150 percent for any cost above 10,000 dollars. The first portion will remain at the current rate of 75 percent.

"Cars which are so luxurious that their dutiable import value exceeds 10,000 dollars are plainly not a necessity on an island where travelling distances are short and the speed limit is 35 kilometres an hour," Saul said. "Rather, they are items of pure conspicuous consumption."

Land tax increases hit larger properties hardest. Saul estimated the lowest quarter of private homes would have an increased bill of just 17 dollars over two years while the highest 4 percent will go up by an average 1,620 dollars. Stamp duty on land transfers will increase from rates of between 0.50 percent and 3 percent to rates of between 1 percent and 4 percent. Inheritance tax will increase from 2 percent to 5 percent for the first 100,000 dollars and will double from 5 percent to 10 percent for larger estates.

Saul said the government was intent on cutting costs and had made savings of 15 million dollars by cutting 120 programmes. Among money-saving measures was a refusal to increase legislators salaries for a third straight year. He said government employees would be restricted to "very modest" increases and urged restraint on negotiators in the private sector. "The government has clearly demonstrated its determination to control current account expenditure more tightly," Saul said.

Dominican Republic

Plans Announced To Establish Ties With USSR

FL2002170591 Santo Domingo Radio-Television Dominicana in Spanish 1600 GMT 20 Feb 91

[Text] The Dominican foreign minister, Dr. Joaquin Ricardo, has announced that the country will soon establish diplomatic relations with the Soviet Union. The functionary notified Mr. (Yuriy Romanov) chief of the Soviet delegation that is visiting the country, of the decision of the Dominican authorities. Ricardo and (Yuriy) held a meeting at the Foreign Ministry where they discussed the matter.

Grenada

$20 Million Lome IV Trade, Aid Accord Signed

FL2002145091 Bridgetown CANA in English 1159 GMT 20 Feb 91

[Text] St. George's, Grenada, Feb 20, CANA—Grenada has signed the Lome IV Trade and Aid Agreement, under which it will receive $20 million East Caribbean (one EC dollar = 37 U.S. cents) in aid between 1991 and 1994. The agreement was signed by Prime Minister Nicholas Brathwaite and Finance Minister George Brizan.

The convention links developing countries in Africa, the Caribbean, and the Pacific [ACP] to the European Community [EC]. It guarantees the ACP nations development aid and preferential treatment for exports to the Community. The agreement was signed here by the European representative, Frans Klinkenberg.

A statement released here by the Community's office said that in addition to the direct benefits from Lome IV, "Grenada is also eligible for other forms of aid such as Stabex and emergency aid." Stabex is a price stabilization fund that cushions low earnings from commodity exports.

ACP countries are also in line for aid for tourism development. The EC has spent about $100 million EC in Grenada in areas such as education, culture, environmental conservation and health, and infrasctructural development.

Klinkenberg told the press, "The Lome Convention is far more than an aid agreement; it is a comprehensive package of trade, financial, and other measures which work to create a long-term, stable, and predictable framework for development cooperation between the European Community and its ACP partners.

"One could summarize the Lome Convention in two words: continuity and partnership," he said.

Haiti

Government Announces Members of New Cabinet

PA2002222291 Paris AFP in Spanish 0626 GMT 20 Feb 91

[Text] Port-au-Prince, 20 Feb (AFP)— The new Haitian Cabinet appointed by Prime Minister Rene Preval, which was approved by President Jean Bertrand Aristide, was announced on Tuesday night. It is formed primarily by people close to the president.

The prime minister, considered a loyal supporter of Father Aristide, also holds the posts of minister of interior and minister of national defense.

For the first time in the history of the country, three women are serving in 12-member cabinet, and they hold key positions.

Dr. Marie-Denise Fabien Jean-Louis is 47 and from Gonaives (in the central part of Haiti). She is an anesthesiologist who graduated from the School of Medicine in Strasbourg (France), where she studied between 1962 and 1973. She was appointed minister of foreign affairs.

Marie-Michele Rey, presently the assistant director of the Banque Nationale de Paris branch in Port-au-Prince, who has worked in private banking throughout her career, was appointed minister of finance and economy.

Marie-Laurence Josselyn-Lassegue, a well-known radio and newspaper journalist who accompanied President Aristide to Paris as press attache, will become the minister of information, coordination, and culture.

The prime minister appointed Bayard Vincent as minister of justice. Bayard is a career magistrate from the city of Saint Marc (98 km north of the capital city) who was the government's district attorney to the Port-au-Prince civilian court. As district attorney, he was preparing the trial of Roger Lafontant, who led the foiled neo-Duvalierist coup on 7 January.

This post had been originally offered to a person very well known among the progressive and anti-Duvalierist circles, who is very close to Father Aristide and the prime minister: Monique Brisson. However, the lawyer Brisson, several of whose relatives were killed during the dictatorship, rejected the appointment due to a disagreement over the members of the cabinet, well-informed sources stated.

Engineer Frantz Verella was appointed public works, transport, and communication minister, and agronomist Francois Severin, a forestry expert, will be in charge of natural resources and rural development.

Another close friend of President Aristide, Smarck Michel, a Port-au-Prince businessman and father of one of the men in charge of the president's security, was appointed commerce and industry minister.

Renaud Bernardin, Father Aristide's private secretary and a sociologist from Cap Haitien, is the planning, foreign cooperation, and public administration minister.

Dr. Daniel Henrys, who previously worked in nongovernmental organizations, will hold the post of public health and population minister.

Ernst Verdieu, director of the Caritas humanitarian organization and close to the Episcopal Conference, will be in charge of social affairs.

Leslie Voltaire, former state adviser and an urban expert educated in Mexico and the United States, will be education, youth, and sports minister.

Formal Appointment Decree Read

FL2002234691 Port-au-Prince Radio Antilles Internationales in French 1245 GMT 20 Feb 91

[Text of governmental decree announcing the appointment of the new cabinet, issued in Port-au-Prince on 19 February]

[Text] Decree issued by Prime Minister Rene Preval, in the 188th year after the independence, in Port-au-Prince Republic of Haiti on 19 February 1991. In equality, fraternity.

In lieu of Articles 133, 137, 155, 156, 159-1, 162, 163, 166, 168, 169, and 169-1 of the Constitution;

In view of the presidential decree issued on 18 February 1991 appointing the prime minister;

Whereas, in keeping with the Constitution, Congress has granted a vote of confidence to the prime minister's general policy;

Whereas it is necessary to appoint a cabinet;

Article 1. Citizen Rene Preval hereby is appointed interior and national defense minister; citizen Francois Sevrain hereby is appointed minister of agriculture, natural resources and rural development; citizen Marie Michele Ray hereby is appointed minister of economy and finance; citizen Renaud Bernardin hereby is appointed minister of planning, foreign cooperation, and state service; citizen Marie-Laurence Jocelyn Lassegue is hereby appointed minister of information and coordination; citizen Marie-Denise Fabien Jean-Louis is hereby appointed minister of foreign affairs and worship; citizen Frantz Verella is hereby appointed minister of public works, transportation and communications; citizen Ernst Verdieu hereby is appointed minister of social affairs; citizen Smarck Michel hereby is appointed minister of commerce and industry; citizen Daniel Henrys is hereby appointed minister of public health and population; citizen Lesly Voltaire hereby is appointed minister of education, youth, and sports; citizen Bayard Vincent, who until now has held the post of Government Commissioner, is hereby is appointed justice minister.

Article 2. A certified copy of this decree will be issued to the individuals mentioned above.

Article 3. It is so ordered.

Issued at the prime minister's office in Port-au-Prince on 19 February 1991, in the 188th year after the independence.

Signed: Prime Minister Rene Preval. Approved by President Jean-Bertrand Aristide.

Officials Address Crowd at Swearing-In Ceremony

Aristide Stresses Legality

FL2102021591 Port-au-Prince Radio Nationale in Creole 1430 GMT 20 Feb 91

[Speech by President Jean-Bertrand Aristide at the swearing-in ceremony of the prime minister and the cabinet at the National Palace in Port-au-Prince; italicized passages in French—live]

[Text] Mr. Prime Minister; honorable members of the High Command of the Haitian Armed Forces; Mr. President of the Senate; Mr. President of the Chamber of Deputies; honorable members of the ministerial cabinet; honorable members of the diplomatic corps; ladies and gentlemen, distinguished representatives of the unions, employers, socio-professional, popular, and human rights organizations; my sisters; my brothers:

How happy I am to welcome here today in the house of [words indistinct] because it is the fundamental law [the Constitution] of the country which must lead the country. Article 159 of the Constitution concerns the prime minister and reads as follows: The prime minister is responsible for the enforcement of the laws. The prime minister's role is first and foremost to enforce the laws.

Article 169 pertains to the ministers and states: The ministers are responsible for all decisions signed jointly with the prime minister. The enforcement of the law is also part of the ministers' responsibility. The role of the ministers is also to enforce all the laws according to the Constitution.

Article 136 refers to the president and states: The president of the Republic of Haiti, that is to say the head of state, is in charge of the respect of the Constitution, so that everything provided for in the Constitution is enforced and the state laws stand firm. The president's job is to ensure that all government and public administration services are functioning well so that the government always assumes its responsibility as a government.

This is why, as we are in a period when there are hiring and firing winds blowing within the public administration, to prevent that from being done in just any old manner, I ask that no one take money from anyone else to dismiss people and to replace them by his own people which would make it a disorderly game in hiring and firing.

This must be done in an orderly fashion. The government does not dismiss any state employee who respects his rights, who respects public funds, who respects state properties. It will not tolerate plundering but it will not condone people being dismissed and other people being hired in a disorderly fashion. I repeat: It must be done with order, discipline, and the law. If you know of someone who has misused public funds, please lodge the complaint with the legal authorities, talk to the minister, provide proof so that an orderly process can be followed.

Concerning other state employees, Article 35.2 reads as follows: The state must check if all employees work under the same good conditions for their protection as well as for the money they earn as salary. This means the salary of the workers, for example, will be decided among employers, workers, ministers, the concerned people, and the people appointed by the law. I take advantage of this opportunity to invite all concerned people to wait and see because before long the conditions of the workers will improve which will increase factory production which in turn will increase salaries.

Article 245 concerns people working in the private sector and stipulates: People can freely earn money as long as the way they obtain the money does not harm the interests of the majority of people living in the country. The state protects private business.

Therefore, this morning while welcoming the new ministers, I am happy to see all those who are working jointly for the establishment of this state of order, which is a step that certainly passes through the work place. Work could not be limited to the ministers without including the investors at the same time. Whether you [the investors] are from here or abroad, we are going to work together with the law which guarantees your rights. We are going to work together to increase the number of workers by giving them jobs, to increase the salary of the workers through concerted action so that we can all participate in the rebirth of this land.

Together, all of us who are not ministers are glad to embrace the ministers this morning to encourage them, to support them in the job they are going to do. All of us who have means, who have competency, intelligence, and experience, all of us who have a load on our shoulders but with the law protecting us will encourage one another to increase production and salaries by improving proper work conditions in private business.

This is why I address the diplomatic corps to thank you for the links which already exist between us. I say thanks to you in advance for the tourists that will come here. Haiti is going to thrive. Haiti is showing a proud face to the world. Thanks to its links of cooperation Haiti will be proud to receive your friends.

This is the way to gather all the solidarity we share and then offer it to the new ministers so as to tell them that with them we will move forward. Together with the Haitian Army and all civilians we continue to say justice for all, transparency in everything, and participation by all. Thank you.

Prime Minister Preval Speaks

FL2102031091 Port-au-Prince Radio Nationale in Creole 1445 GMT 20 Feb 91

[Inaugural address by Prime Minister Rene Preval at the National Palace in Port-au-Prince—live, in French]

[Text] Mr. President of the Republic, gentlemen of the Army High Command, gentlemen former ministers, gentlemen members of the diplomatic corps, gentlemen representatives of the Provisional Electoral Council, gentlemen ministers, ladies, and gentlemen:

A man as shy and discrete as I am finds himself, in a space of two days, before a microphone for the third time. I will not be long. My general policy was broadcast several times and it has been commented upon everywhere.

In front of all of you gathered here this morning, I will tell the new ministers that the president of the Republic has intervened, guided by the the light of the Constitution. He mentioned at least five articles, which respectively define the roles of the different bodies of the executive. The role of the president is to watch over the application of the Constitution. The role of the prime minister is to oversee the application of the laws. The role of the ministers is to apply governmental policy.

I know that the guests are in a hurry. I will only tell the ministers that we have a heavy responsibility which I know together we can share with a lightened heart. I thank them and together with the Constitution, with the popular demands as a compass, we will take it upon ourselves to further democracy. Without further words, I will end by saying that we are expecting you on the next floor to converse further.

Political Leaders React to Cabinet Appointments

FL2102150891 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 20 Feb 91

[Interview with Victor Benoit, National Congress of Democratic Movements member, and Max Bourjolly, second in command of the Unified Party of Haitian Communists, with unidentified reporter; place and date not given—recorded]

[Excerpts] [Reporter] According to Victor Benoit, the National Congress of Democratic Movements [Conacom] has no representatives in the ministerial cabinet. This means that no member of the party is a minister.

[Benoit] Conacom will always provide crucial support for the government in everything the government does, in favor of the country and democracy while respecting the Constitution. However, when something goes wrong, we will also criticize it.

The second comment that I would like to make is that the cabinet is mostly comprised of close friends to Father Jean-Bertrand Aristide, personalities with whom he is accustomed to working. We find this a guarantee of loyalty to Aristide's policy and government. We just hope these people are competent in managing the policy of the country.

[Reporter] We notice that the prime minister is also minister of the interior and national defense. What are your comments on that?

[Benoit] There is nothing to comment on. It is provided by the Constitution that the prime minister, aside from being prime minister, can also hold a ministerial post. [passage omitted]

[Reporter] Max Bourjolly, second in command of the Unified Party of Haitian Communists, also gives his opinion. According to him, this government is comprised more of personal friends than anything else.

[Bourjolly] I must say that I am happy to see that the country finally has a government and that the country will be taken in hand. What I notice, however, is that the cabinet is formed of a closed circle of the president's friends and that the drift of temptation for establishing personal power could constantly be present. I am also afraid the country might be managed as a curate manages a parish.

[Reporter] We know that the president met with various political parties in order to begin structuring his government. What were the results of that meeting?

[Bourjolly] Based on the composition of his cabinet, we can assume that such a meeting was to encourage the press and Parliament to remain in correspondence. It was show business.

[Reporter] We also notice that the prime minister is also minister of defense and interior. What do you think of that?

[Bourjolly] I believe it is either a desire to have a concentration of power within the hands of the president's close partisans, or that they were not able to find people to make up the government. Instead of putting forth a serious effort to find men and women dedicated to solving difficulties in the structure the country, (in view of the fact that the political parties are willing to marginalize themselves), the ruling party preferred to keep the power for themselves, this little group, to see what they can do with it. The responsibility for failure, which could occur tomorrow, will therefore be theirs.

I would like to add that I am deeply saddened to see how the new government is treating the 67 percent which brought Aristide to power. I hope that the people will not just stand passively by and finally force, through a large active consensus, the country's affairs to be managed differently.

Furthermore, I heard that the difficulty in forming the cabinet might have been due to the poor salary offered to state employees, which would make many people remain with private firms instead of hanging their hats in a public position.

FADH High Command Announces New Transfers

FL2002021091 Port-au-Prince Radio Metropole in French 1700 GMT 19 Feb 91

[Text] The following is a list of transfers and promotions within the Haitian Armed Forces [FADH]:

Colonel Eddy Louis, new director of the military academy
Colonel Hebert Valmond, new commander of the western military department
Colonel Henry-Robert Augustin, new commander of the northern military department
Colonel Ulysse Francois, new commander of the southeastern military department
Colonel Carl Dorelien, new commander of the application camp
Lieutenant Colonel Jodel Lessage, new commander of the southern military department
Lieutenant Colonel Joseph T. Antoine, new chief of the Narcotic Services
Lieutenant Colonel Dumarsais Romulus, new commander of the northeastern military department
Lieutenant Colonel Belony Groshomme, new commander of the Grand-Anse military department
Lieutenant Colonel Jonas Jean, new commander of the Artibonite military department
Lieutenant Colonel Jean-Brunel Goby, new commander of the center military department
Lieutenant Colonel Diderot [as heard] Sylvain, new commander of the northwestern military department
Lieutenant Colonel Pierre H. Cherubin, new executive officer of the metropolitan area military department
Lieutenant Colonel Leocles P. Arne [as heard], assistant commander of the application camp

The following majors have been transferred:
Major Claudel Josaphat, former chief of the Anti-Gang Service, current director of the Army's supply center
Major Derby Guerrier, new commander of military security at the International Airport
Major Marc Valme, current chief of Interpol at Port-au-Prince police department.

The following captains have been transferred:
Captain Pierre E. Neptune, former commander of Petionville district and now chief of the Anti-Gang Service
Captain Thomas Jean-Bart, new commander of Croix-des-Bouquets military district
Captain Joseph Miracle Ira, former commander of Saint-Marc military district, now officer in service at the General Headquarters
Captain Patrick Bastien, former commander of the 52d Company, now officer in service at the military academy.

Let us recall that on the day following the inauguration of President Jean-Bertrand Aristide, six generals were retired and the Army High Command was reformed.

Jamaica

Telephone Workers Receive 40-Percent Wage Hike

FL1902201791 Bridgetown CANA in English 1655 GMT 19 Feb 91

[Text] Kingston, Jamaica, Feb 19, CANA—Agreement has been reached on a new J$70 million wage contract between the National Workers Union (NWU) and the Jamaica Telephone Company (JTC). The agreement provides for an interim increase of 40 percent on current wages, retroactive to April 1, 1990, the union said. The parties also agreed to a 13.24 percent increase in wages in the second year.

However, in the event of the announcement of new wage guidelines prior to March 31, 1992, calling for rates above the 13.24 percent, the company will adjust the wages to reflect the increase. This will become effective on the date stipulated by the new wage guidelines.

Under the agreement, a job evaluation exercise is to be conducted and should be completed by the end of February. This is to enable parity in salary to be achieved between JTC and Jamaica International Telecommunications (Jamintel) workers. The parity issue has been the cause of industrial action among workers at the telephone company. JTC and Jamintel merged to form Telecommunications of Jamaica and under the new company, parity in salaries for workers in both institutions was negotiated.

The new contract for JTC workers also saw increases in laundry, accommodation and driving allowances. The company also established a J$50,000 education grant per year to assist children of staff at secondary education level with examination fees. Other agreements include a local vacation package of J$3,600 dollars per family of four.

Manley Investigates Relief Supply Disappearance

FL2002194591 Bridgetown CANA in English 1406 GMT 20 Feb 91

[Text] Kingston, Jamaica, Feb 20, CANA—Jamaica Prime Minister Michael Manley has announced the appointment of a commissioner of enquiry to investigate the disappearance of millions of dollars worth of hurricane relief supplies. The commissioner is E.G. Green, a former ombudsman.

The inquiry follows revelations in the Auditor General's report that thousands of dollars worth of zinc sheeting and other building material imported by the government after Hurricane Gilbert in September 1988 had disappeared. The zinc sheeting was to be distributed to low income persons whose homes had been damaged by the hurricane.

There had been claims that the sheets were misappropriated by politicians from the two main political parties.

RECORD Reports Staff Reductions

FL2002161991 Bridgetown CANA in English 1357 GMT 20 Feb 91

[Text] Kingston, Jamaica, Feb 20, CANA—The financially-troubled Jamaica RECORD newspaper has laid off 57 employees from all departments. The heaviest cuts were in the editorial department, which lost 50 percent of its reporting staff, a report in the RECORD said. The staff at the paper's Western Jamaica office have been given the option to operate that facility as an agency.

The paper cited declining revenue and increased costs as reasons for the cuts. The workers have been given two weeks' pay in lieu of notice. Also resigning as the paper's general manager was Noel Gordon. He was succeeded by Dr. Dudley Cawley.

Since its inception in 1988, the RECORD has been plagued by financial problems and in-fighting among top executives at the company. The paper's founder and former editor, Mark Ricketts, had been fired as editor and managing director.

Netherlands Antilles

Illegal Immigrants Being Rounded Up, Deported

FL2002150891 Bridgetown CANA in English 1201 GMT 20 Feb 91

[Text] Philipsburg, St. Maarten, Feb 20, CANA—St. Maarten police said on Wednesday that 200 illegal immigrants, most of them from Caribbean islands, were rounded up and deported during the past week. Police spokesman, Major Johan Leonard, said 41 persons apprehended over the weekend are to be deported.

"We have picked up persons from several countries, including Venezuela, Colombia, St. Kitts, Trinidad, Haiti, Dominica, Nevis, Dominican Republic, and St. Vincent, for overstaying," said Leonard.

Police have been visiting construction sites, bars and restaurants, and stopping passenger buses and private cars in the crackdown on the thousands of illegal immigrants on Dutch St. Maarten.

New Party Led by 28-Year-Old To Call on Youth

FL2002162091 Bridgetown CANA in English 1215 GMT 20 Feb 91

[Text] Philipsburg, St. Maarten, Feb 20, CANA—As St. Maarten prepares for Island Council elections on April 12, a new political party has appeared. The United Democratic Party (UDP) brings to seven the number stating an intention to contest the poll.

The UDP is headed by 28-year old Hyacinth Richardson, who said, "our election banner will be 'youth and the people,' and we are calling on the youth to stand up and get involved in the affairs of government, of which they are an important part."

The April poll is to fill nine St. Maarten Island Council seats. Parties are to submit their list of candidates to Lt. Governor Ralph Richardson on Friday.

Trinidad and Tobago

Labor Minister Intervenes in Attorneys' Strike

FL1902163591 Bridgetown CANA in English 1541 GMT 19 Feb 91

[Text] Port of Spain, Trinidad, Feb. 19, CANA—Trinidad and Tobago's labour minister, Dr. Albert Richards, has intervened in a wage dispute involving state attorneys.

Since the beginning of the year, the lawyers protesting against the delay of interim salary increases for them have been boycotting all courts in Trinidad and in the sister isle, Tobago. They want the government to give them a lawyer's fee of 1,000 dollars (one TT dollar = 23.5 U.S. cents) until the Salaries Review Commission examines their proposal a second time for an increase in salaries.

Richards indicated to the attorneys "certain difficulties" which he perceived to stand in the way of a resolution of the matters proposed by the Association of Legal Officers, led by its president, Nolan Bereaux. The minister said he was optimistic, however, that means for the early settlement of the problem could be reached. He plans to meet with the attorneys later this week.

The boycott of courts has resulted in a serious disruption of cases in the assizes, causing judges to send home juries until the dispute is resolved.

Finance Minister on Current Industrial Climate

FL2002211091 Bridgetown CANA in English 2038 GMT 20 Feb 91

[Text] Port of Spain, Trinidad, Feb 20, CANA—Finance Minister Selby Wilson said Trinidad and Tobago could have ended up in deep economic crisis like Guyana if the National Alliance for Reconstruction (NAR) government did not take early precautionary measures. "Government's main concern since 1986 (when the NAR took office) was to cater to the welfare of the citizens," Wilson told listeners this week on a talk show.

"In doing that, the government had to address mainly the macro-economic issues. We had to determine how to proceed in order to give this country the best possible chance of surviving. In doing that, the unfortunate aspect of it, is that people are not aware of what would have been the consequences if we had proceeded on a different course.

"The only reference I can make is to the situation in Guyana."

Wilson dealt with the current industrial climate in the country, characterised by growing unrest with public sector workers pressing the government to pay up outstanding monies.

Wilson said Guyana had adopted a position of not paying its external creditors, and this had the effect of virtually isolating the country from the international financial community.

"Today, they're back in the fold and more recently there are rumours that the Guyanese dollar will be devalued further. Despite an increase of 50 percent in salaries and wages.... I would suggest that devaluation would wipe out the value of that increase in salaries and wages," the finance minister said.

"So one has to see the thing in its right perspective. I would submit that if we had not addressed the imbalance between revenue and costs, our situation today would have been much worse. I would submit that even in terms of the quantity of dollars in the hands of our employees and even in the hands of employees in the country at large, those dollars would have had less value to them."

Wilson's comments were made to a panel of journalists on "The Issues Live," a weekly television programme dealing with controversial issues. Wilson found himself in the "hot seat" when public sector unions began making demands on government to pay public servants outstanding monies totalling some 3 billion dollars (one TT dollar = 23. 5 U.S. cents).

Government said it is unable to foot such a bill, and the unions have announced plans for protest action. Wilson expressed the hope that common sense would prevail and the unions would understand government's position.

Union Leader Threatens Picket at Caricom Meeting

FL2002164991 Bridgetown CANA in English
1254 GMT 20 Feb 91

[Text] Port of Spain, Trinidad, Feb 20, CANA—A Trinidad and Tobago trade union leader has taken issue with an economist he says is recommending lower wages.

Cecil Paul, secretary general of the Joint Trade Union Movement [JTUM], said the Movement could well picket a Caribbean Community economic conference here next week because of a statement by economist Compton Bourne.

A working document drafted by Professor Bourne under the title, "Capital Accumulation and Enhancement" suggested measures for facilitating a larger national savings effort and the utilisation of the increased savings in productive investment.

"One of the more important is an increase in the profit rate and rate of profit retention. In the longer term, this need not be at the expense of personal income growth," the document said. "In the short run, however, there may need to be a conscious decision to restrain the growth of personal incomes."

The document continued, "The labour movement may not be absolutely opposed to such a macro-incomes policy, but would insist on its adoption being conditional upon provisions for capital accumulation and enhancement leading to employment growth."

Paul said the document supports a downward movement in wages.

The veteran trade unionist said he was "totally against" another suggestion by Professor Bourne which relates to the reorganisation of the public service. The document said, "reforms are necessary in many instances to create an environment conducive to enterprise and development, to remove obstacles, to reduce costs, and to promote efficiency."

Paul told CANA that his association was studying the proposals and [their] possible consequences for the working people of the Caribbean. The JTUM is also working along with other unions in the Caribbean, said Paul, to present a paper to the conference.

Most Caribbean Community (Caricom) [Caribbean Common Market] countries are expected to attend the conference. The main objective of the conference is to develop national and regional consensus on the policies, strategies, and measures which will bring Caricom states out of their current economic problems.

El Salvador

Arena Mayoral Candidate in Cinquera Kidnapped

PA2102034391 San Salvador Radio Cadena YSU in Spanish 1853 GMT 20 Feb 91

[Text] The Nationalist Republican Alliance [Arena] today denounced the kidnapping of their mayoral candidate in Cinquera, Cabanas Department. Romeo Lemos has the full report:

[Begin recording] [Lemos] Arena President Armando Calderon Sol today denounced the kidnapping of the party's candidate for mayor of Cinquera, Cabanas Department. Calderon Sol blamed the FMLN [Farabundo Marti National Liberation Front] for the action and said that there are eyewitnesses to the crime.

Calderon Sol said that the kidnapping had already been denounced to the OAS observers.

The Arena leader said that the candidate for mayor was forced out of his vehicle, and that he could not understand how this could happen while there is ideological pluralism and representation of all the political currents in the elections.

[Calderon Sol] Our candidate for mayor of Cinquera, Hilario Martin Tomasino Lopez, was kidnapped by the FMLN on 19 February.

We do not know what the FMLN's intentions are with this new action, which is a blow to the democratic process and to men who have [words indistinct] service and who have agreed to work for their fatherland, such as Hilario Martin Tomasino Lopez. The Arena candidate in Cinquera was kidnapped yesterday as he traveled in a party vehicle from Suchitoto to Cinquera.

We hold the FMLN responsible for whatever happens to him and for his physical safety. We do not believe that there is any reason for such actions at a time when the democratic process is being consolidated and there is a multiparty system, ideological pluralism, and the representation of all the political currents in the elections. We consider this to be a blow to the entire democratic process.

We hope that our companion will be set free as soon as possible and we demand that the FMLN stop these absurd acts, which do not contribute to the country's pacification. Such acts show an attitude contrary to what should be developed in San Jose, Costa Rica. It is important that the peace process continues along its path. We believe that these actions may hinder the peace process, but we hope that it is not so.

We also ask for the solidarity and unity of the entire democratic sector and all the parties participating in the elections. We believe that such actions are a blow, not only to our party, Arena, but also to the entire democratic plan and all the parties participating in it.

[Lemos] Calderon Sol said that he hopes that such actions will not be repeated and that each party's ideology will be respected. He believes that this could hinder the negotiations between the Salvadoran Government and the guerrillas, but he said that Arena wants the negotiations to continue despite these actions, which he called clumsy (burdas).

Romeo Lemos reporting for YSU. [end recording]

FMLN Communique Seeks Halt to Military Actions

PA2002195691 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 20 Feb 91

[Communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) in El Salvador on 19 February]

[Text] In the past few weeks, the Cristiani government has shown that it wants to prolong the war and end the negotiations, while at the same time it asks the FMLN for a truce during the elections. The Armed Forces have maintained constant operations in the zones under our control in Guazapa and in Chalatenango, San Vicente, Usulutan, Morazan, and San Miguel Departments. With the use of the new aircraft delivered by the United States, they have terrified the population and have tried to hit our medical facilities.

To this must be added grave repressive actions such as the murder of 15 peasants in El Zapote and the destruction of the newspaper DIARIO LATINO. When we recently denounced the plans to eliminate union and political leaders, we warned that we are in danger of experiencing an escalation of repression, similar to what occurred in 1980. This attitude is consistent with the evident retrogression adopted by the government delegation at the negotiating table.

In the face of this situation, the FMLN reports:

1. In view of the fact that the El Zapote massacre and the destruction of DIARIO LATINO are an affront to the negotiating process and a grave violation of the agreement on human rights adopted by the two sides on 25 July 1990, we will demand at the negotiations table that both cases be included in the list of criminal actions that must be investigated.

2. As long as the Armed Forces do not suspend their operations, bombings, and repression, we will militarily respond, legitimately defending ourselves from those offensive actions by the Army. The operations by the Armed Forces have the objective of recovering territories which for many years have been in the hands of the National Army for Democracy, as can be fully confirmed by institutions, political forces, foreign governments, the press, and the people in general.

3. We have informed various governments about the war actions by the Arena [Nationalist Republican Alliance]

government so that they can make efforts to change this attitude of provocation which creates tension and affects the negotiations.

4. The FMLN, in a clear sign of peace, proposed at the negotiating table the beginning of discussions on the conditions and characteristics of a cease-fire which would respect the positions of both armies and would give full room to the civilian population, under conditions of demilitarization.

We call on the Armed Forces and the government to suspend the military operations and the repression because they do not contribute to the negotiated solution and they do not change the balance of forces in El Salvador. The best thing would be to immediately set aside the military path and allow negotiations to attain a cease-fire as soon as possible.

[Signed] FMLN General Command
El Salvador, 19 February 1991

FMLN Says Government Position 'Has Hardened'

PA2002231791 Panama City ACAN in Spanish 2125 GMT 20 Feb 91

[Text] San Jose, 20 Feb (ACAN-EFE)—The Salvadoran guerrilla movement today charged that the Salvadoran Government has hardened its position in the framework of the UN-sponsored peace negotiations taking place in Costa Rica.

The leftist Farabundo Marti National Liberation Front [FMLN] has accused the conservative government of Alfredo Cristiani of "virtually annulling" a working document presented by UN mediator Alvaro de Soto, a Peruvian diplomat.

The communique made available to ACAN-EFE is signed by the FMLN General Command but does not carry the emblems of the organization. In it, the rebels demand that the international community "closely follow" the dialogue process.

The communique states: "We believe it is necessary that the international community closely follow the Salvadoran situation to prevent a deterioration of the possibility of securing a short-term cease-fire."

In the document, the FMLN does not specify how the Salvadoran Government is obstructing the work document presented by De Soto in October 1990, but the FMLN does note that the government has demanded that changes be made "to all the points" listed in the document.

The FMLN also charged that the Armed Forces have committed a series of actions, such as the massacre of 15 peasants on 22 January and an attack on 9 February on El Salvador's sole opposition newspaper DIARIO LATINO.

The negotiations between the government and FMLN delegations are taking place in complete secrecy, as disposed by the mediator, in a hotel near San Jose, the capital of Costa Rica.

Sources close to the rebels do not discard the possibility of the FMLN making some statement to the media tomorrow, at the end of the meeting.

FMLN, Government Discussing Cease-Fire

PA2102032591 Mexico City NOTIMEX in Spanish 0146 GMT 21 Feb 91

[Text] San Jose, 20 Feb (NOTIMEX)—The Farabundo Marti National Liberation Front [FMLN] and the Salvadoran Government have discussed here in San Jose the issue of a cease-fire to put an end to the civil war in El Salvador, sources close to the parties have reported.

The cease-fire was the priority issue at this meeting, in line with the agenda established in Caracas. The negotiations began in Switzerland in April 1990.

NOTIMEX sources, who asked to remain anonymous, said that yesterday and today the negotiators studied the proposal of establishing a cease-fire, taking into consideration the areas under control of the parties in conflict.

The guerrillas said that any agreement must take into account those regions that have been under FMLN control for over six years. They said: "The marking of zones with a basis on territorial control" is one of the three cease-fire proposals mentioned during the current negotiating phase.

A first proposal, which called for the disarmament of the guerrillas and their withdrawal to "peace pockets," was rejected by the FMLN, which considered it an "unconditional surrender."

The sources said there is a third option, one that calls for a cease-fire based on a UN proposal. This option, the sources said, calls for the creation of three concentric circles: The government's police force would be on the periphery, the second circle would be composed of a UN peace-keeping force, and the FMLN would be in the innermost circle.

The sources said the FMLN had decided that there are "historic facts" that must be resolved ahead of the priority issue. The guerrillas demanded political, social, and economic changes as well as a transformation of the Armed Forces "so that the cease-fire may function effectively."

The FMLN again demanded an Armed Forces purge and a trial for people responsible for serious crimes against human rights, "to put an end to the impunity" some military members enjoy.

The sources said the meeting between the FMLN and the Salvadoran Government will conclude tomorrow "without having achieved any significant results" because the

guerrillas are waiting to see the results of the deputy and mayoral elections to be held on 10 March.

The FMLN believes that if the Nationalist Republican Alliance loses control of the Legislative Assembly, the other political parties will become strong sources of pressure in favor of progress at the negotiations.

Democratic Convergence Calls for Cease-Fire

PA2002181391 San Salvador Radio Cadena YSU in Spanish 1830 GMT 19 Feb 91

[Text] According to Dr. Ruben Zamora, of the Democratic Convergence [CD], the attack carried out yesterday against the Armed Forces High Command installations was not aimed at producing absenteeism among voters and much less at boycotting the elections.

According to the CD leader, the matter is more complex than what the analysis by Defense Minister General Rene Emilio Ponce indicates. Zamora regretted the possibility that the 10 March elections may have to take place in a warlike atmosphere because there has been no agreement on a cease-fire prior to the elections.

He said, however, that the fact that elections are taking place represents a positive step to putting an end to the war. In this atmosphere, it is very important that the opposition secure a Legislative Assembly majority; in the meantime, he said, the war goes on.

Ruben Zamora asked both the Armed Forces and the guerrillas to stop the fighting or at least diminish the intensity of the fighting on the day of the elections.

[Begin Zamora recording] I think the problem is much more complex than that. These elections will be held in the midst of a war. Unfortunately, no cease-fire has been secured prior to the elections, so we are going to hold elections in the midst of a war. However, these are the first elections that could positively help put an end to the war by installing an opposition majority at the Legislative Assembly.

The war will be going on, it is going on—both the Army and the FMLN [Farabundo Marti National Liberation Front] are carrying out operations—but we hope that both the Army and the FMLN will not carry out any offensive military operations on elections day. [end recording]

Regarding the task of international observers during the elections, Zamora said that it is very important and it allows voters to express themselves without fear. We hope, he said, that the OAS is already preparing its first elections period report based on its findings.

[Begin Zamora recording] I think the presence of international observers is useful and necessary, especially in the country's interior because their presence somehow makes the people have less fears about their political participation. We are waiting for the OAS—which is the main observer—to issue its first report because according to what we discussed with OAS officials prior to the elections, before they came to El Salvador, they were planning on issuing reports before and after the elections. I think this is a good time to issue a report. They have already collected enough information to be able to issue their first report. We expect this to happen in the next few days. [end recording]

Zamora also referred to the search operation at the CD headquarters in the city of Mexicanos last night. In the CD's opinion, the governing party miscalculated the progress that CD would make and for this reason, the governing party is resorting to this kind of action to harass the opposition into pulling out of the elections process, Zamora said.

Prosecutors Said To Identify Massacre Masterminds

PA2002194891 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Feb 91

[Text] Special prosecutors involved in the El Zapote massacre said that Maria Cristina Vasquez and Natividad de Paz were the masterminds of this massacre. The conclusion reached by the special prosecutors derive from the statements made by the two women involved in the crime. They admitted they had gotten together to plan the assassination and end the differences and continuous quarrels with the Aragon family.

Meanwhile, Celia Medrano from the Nongovernmental Human Rights Commission said that the statements made by the two women involved have no validity because both women did not coincide in their statements. Medrano also believes that the investigation work done by the Crime Investigation Commission does not lead to a clearing up of the crime because the sources used were not disclosed.

The Farabundo Marti National Liberation Front believes the two women allegedly involved in the murder of the 15 peasants in Ayutuxtepeque presented by the Crime Investigation Commission are part of a government plan aimed at concealing the real perpetrators of this and other crimes, such as the assassination of a Democratic Convergence activist in Metapan, Santa Ana Department. In this case, the government has already presented an alleged assassin, who is playing the role of a scapegoat just as are the two alleged murderers in the Ayutuxtepeque case. The objective is to wash the hands of the Armed Forces.

Guatemala

Deputy Calls Relations With U.S. 'Good'

PA2102034191 Guatemala City SIGLO VEINTIUNO in Spanish 17 Feb 91 p 4

[Text] Deputy Juan Francisco Reyes Lopez, chairman of the Congressional Foreign Relations Commission, yesterday said that relations between Guatemala and the United States are good and without gaps because the

diplomatic disagreement between President Serrano and U.S. Ambassador Thomas Stroock was of minor importance.

No gap has been opened between Guatemala and the United States because there are only points of disagreement, neutral points, and points of common interest. The United States is important in the world. Relations between President Serrano and Ambassador Stroock are cordial, Reyes said.

Reyes pointed out that he witnessed a recent meeting between Stroock and Serrano in the presence of the Spanish ambassador and Guatemalan Foreign Minister Alvaro Arzu, where they talked about matters of common interest. Reyes said that at no time did he witness anything unusual and that the climate was cordial.

Reyes dismissed as unimportant the cessation of U.S. military aid to Guatemala because the amount of this aid was small.

With regard to the extension of a U.S. travel advisory on Guatemala, Deputy Reyes downplayed the warning to U.S. travelers about dangerous areas in Guatemala.

He noted that the crime rate in Guatemala is lower than in some U.S. cities such as Chicago, New York, Miami, and Los Angeles, as well as some European cities.

Meanwhile, on behalf of the PAN [National Vanguard Party], Deputy Bernardo Juarez criticized the trip to Miami planned by the members of a commission in charge of purchasing hospital equipment with a $12.7 million loan from the Republic National Bank of Miami.

According to Deputy Juarez, this trip is not necessary because, in addition to the travel expenses being an unnecessary waste of funds, nothing has yet been decided with regard to the equipment that should be purchased to meet the hospitals' most urgent needs.

Deputy Juarez recalled that the hospital directors recently stated that the list of equipment included many unnecessary tools, while necessary equipment was omitted.

Juarez said that the trip would be useless because nothing would be accomplished. It would only be a waste of funds, because it is clear that the loan will not benefit the country. In any event, it will first be necessary to determine what equipment is most needed by the hospitals, he stressed.

Progress in Debt Renegotiation Questioned

PA2102024191 Guatemala City SIGLO VEINTIUNO in Spanish 14 Feb 91 p3

[Text] Finance Minister Raquel Zelaya has said that during the trip to Washington last week, the government economic team "established the bases for an understanding to guarantee, if not a positive flow of cash, at least a neutral flow." According to the minister, this means a consensus on modifying the terms of debt repayment to prevent interest from accumulating daily, thereby increasing the balance to be paid.

The minister explained the breakdown of the debt currently due as follows: AID, $3.2 million; IDB [Inter-American Development Bank], $22.7 million, and the World Bank, $62.4 million.

She said: "We hope to be able to announce a medium-term payment schedule." She denied having said that the debt had been renegotiated during her visit to Washington.

She explained: "What I said was that we had reached a basis for an understanding concerning the problems that the government faces, and that we had outlined the adjustment plan, which must still be discussed.

In conclusion she said: "I believe that the efforts to restructure the foreign debt due for 1990, and which amounts to $145 million, cannot be made by the Guatemalan Government alone. It must be complemented with international cooperation.

Inquiries made in Washington by NOTIMEX at the request of SIGLO VEINTIUNO, however, reveal a less optimistic version of the results obtained by the Guatemalan officials. According to sources close to the World Bank, the Guatemalan officials met with Moeen Gureshi, the Bank's vice president for operations. They expressed the Guatemalan Government's intention to pay an overdue $75 million and to implement a program to stabilize the nation's economy.

The World Bank spokesman indicated that, among other things, the Guatemalans told him that they had started talks with the IMF to define the terms of the economic adjustment program, so as to obtain contingency funding. However, according to other sources consulted by NOTIMEX, the Guatemalan mission "did not give details of its plans, nor figures or dates for payments to be made."

According to the information obtained in Washington, the only definite outcome of the delegation's visit is the payment of $10 million to the IDB. This payment was due at midnight on 15 February. If the payment had not been made, the bank would have imposed sanctions on Guatemala.

Government, Army Condemn Killing of 10 Patrolmen

PA2102024091 Guatemala City Teleonce Television in Spanish 0345 GMT 19 Feb 91

[Text] On Monday, the Guatemalan Government and Army condemned the slaughter of 10 Civilian Defense members by alleged subversives in Playa Grande, Quiche, on Saturday. Three more patrolmen were injured. The group was attacked as they crossed a bridge over Shabal River to remove a banner placed by the subversives.

Colonel Homero Garcia Carrillo, who on Monday assumed office as the new military spokesman, condemned the attack.

[Begin recording] [Garcia] The facts speak for themselves. This is a terrible outrage, deliberately planned to terrorize the population. This attack would be inadmissible at any time, much less in this century, when efforts should be made to settle disagreements through the exchange of information and the clear presentation of one's own views, instead of through armed actions.

[Reporter] Do you think this attack might stop the dialogue between the guerrillas and the government?

[Garcia] That will depend on the president's decision because it is he who conducts local and foreign policy. In addition, he is the commander in chief of the Army. The country's large-scale objective, to restore peace in Guatemala, should override even the unrest caused by a situation like this.

Those who were victimized have a clear idea of how the subversives operate because the people have been terrorized for years. The subversives are even seen face to face. The people do not report these individuals as they should because they are scared. So the people know perfectly well who attacked them. This is really an indescribable outrage. [end recording]

Nicaragua

Media Director Says Bermudez' Killers Identified

PA2002183691 Mexico City NOTIMEX in Spanish 1633 GMT 20 Feb 91

[Text] Managua, 20 Feb (NOTIMEX)—According to a commentator, the assassination of Enrique Bermudez, former leader of the demobilized counterrevolutionary forces of Nicaragua, has been solved and the responsible persons will be presented in the coming 72 hours.

Bermudez, a former colonel of the Somozist Guard who was known as "Commander 380" in the "contra" ranks, was assassinated the night of 16 February by a bullet shot to the head in the parking lot of the Intercontinental Hotel in Managua.

William Grisby, director of the radio station "La Primerisima," citing a "high ranking official in the Government Ministry," stated last night that the police have identified the authors of the crime. "The source asked me not to reveal any more details, but the responsible parties will be presented in the coming 72 hours," Grisby had said.

Deputy Government Minister Jose Pallais said yesterday that the investigations were progressing and that "in a matter of hours" an important report would be issued.

Meanwhile, the media have dedicated vast coverage to analyze the different versions of the Bermudez crime. Some pro-Sandinist media, such as the newspaper "BARRICADA," hinted that a possible witness to the crime has been given refuge in the curia of the Archbischopric. Various rumors mentioned Sandinists, former contras, and the U.S. Central Intelligence Agency as possible perpetrator of the crime. An article published in "BARRICADA" said it was necessary that U.S. Ambassador Harry Shlaudeman be investigated, in view of the alleged call that he made to Bermudez asking that he meet him at the Intercontinental Hotel where the crime took place.

Health Workers Threaten To Step Up Strikes

PA1902190691 Managua Radio Sandino in Spanish 1200 GMT 19 Feb 91

[Text] Health workers have threatened to step up their strikes if the government does not answer their demands in the next few hours.

Four doctors' unions and two labor organizations—Fetsalud [Federation of Health Workers] and Fenitras [expansion unknown] of the CGTI [General Confederation of Independent Workers]—have given the government a 48-hour deadline to accept their demands for a wage increase; they have threatened to step up strikes in the health sector if the government does not respond.

The deadline will end tomorrow at 1600. A new meeting between the government and workers' commissions is scheduled at that time. Should that meeting fail, health workers will occupy hospitals and health centers and suspend medical attention at the main centers.

Dr. Gustavo Porras, member of the negotiating commission, said that they have enough resources and that workers are determined to take stronger actions in view of the government's refusal to accept their demands after five weeks of strikes.

Health and hospital workers as well as administrative personnel decided to step up their strikes at separate meetings and assemblies held yesterday by the negotiating commission and Fetsalud.

Strikers Evicted From Ministry

PA2002223591 Managua Domestic Service in Spanish 1825 GMT 20 Feb 91

[Text] Shortly before noon today, antiriot police began evicting health employees who initiated a work stoppage last week in demand for higher wages.

The employees, who had occupied the Concepcion Palacios Building, were evicted by the special forces of the national police, thereby contradicting the message delivered by Health Minister Ernesto Saleron, who until recently said he would allow workers to take over whatever they wanted.

The complete occupation of the Health Ministry building precedes the march the Health Ministry employees will conduct at the Labor Ministry offices.

First ROC Ambassador Since 1985 Assumes Post

OW2002080691 Taipei CNA in English 1458 GMT 18 Feb 91

[Text] Panama City, Feb. 17 (CNA)—The Republic of China's [ROC] Ambassador to Nicaragua Lin Chi-cheng and Mrs. Lin arrived Sunday in Managua to assume to his new post.

Lin is the first ROC ambassador in Nicaragua since the two nations reestablished the diplomatic relations in last November, which were suspended in 1985.

Ambassador Lin is expected to present his credentials to Nicaraguan President Violeta Chamorro in late this month, President Chamorro is now on a visit to Europe.

Panama

Supreme Court Judge on Treaty Renegotiation

PA2002151691 Panama City Circuito RPC Radio in Spanish 1200 GMT 20 Feb 91

[Text] Noting that the treaty to be renegotiated is the neutrality treaty, because of its harmful and interventionist nature, Supreme Court Magistrate Cesar Quintero dismissed the importance of the criticism leveled by various sectors of the public against Molirena [Nationalist Liberal Republican Movement] Legislator Leo Gonzalez. It is a mistake to say that there will never be renegotiation, Quintero said regarding the canal treaties.

Quintero said that the first treaty that expires in nine years, and which deals with the canal operation, is not very important, because nobody doubts that the canal will revert to Panama. He drew attention, however, to the second treaty, the neutrality treaty, which he said is more serious since it grants rights in perpetuity to the United States, permitting it to intervene in Panama whenever it wishes. If the United States wants to stay here, that treaty can serve as the basis for it to stay, because that treaty is a model of ambiguity he said.

He noted that the treaties were drafted exclusively by the United States, because the Panamanian negotiators hardly did anything. The United States drafted the treaties, and they were even drafted in English. Then they were translated here, he said.

Four Arrests Ordered for Priest's Murder

PA1902234891 Panama City LA PRENSA in Spanish 19 Feb 91 p 1

[Elkilia Santos article]

[Text] Special Prosecutor Carlos Augusto Herrera has ordered the arrest of former Lieutenant Colonel Nivaldo Madrinan, along with former G-2 agents Nelson Magallon, Oscar Agrasal, and Melbourne Walker, for the alleged homicide of Colombian priest Hector Gallego.

Herrera will also request at 0800 today that the Second Higher Court of Cocle have these four Army officers and former Attorney General Olmedo Miranda stand trial for their involvement in this crime.

Gallego, a Colombian priest who went into the mountainous region of Santa Fe de Veraguas in 1967, promoted cooperatives and evangelization programs among the farmers. This gained him the enmity of landowners in the region.

According to witnesses, on the early morning of 10 June 1971, nearly three years after the Torrijos regime had been installed, three or four persons took Gallego from his cabin where he was sleeping. After this, he was never heard of again.

The Catholic Church named a commission to investigate the case and on 23 June 1971 they handed part of the report to former Attorney General Miranda.

In this report it was explained that the watchman on the Santa Fe and San Francisco road had seen a car with four persons in it going toward Santa Fe at a very high speed at 0100 on 10 June.

The report adds that "Agrasal and Magallon were in this car, which would indicate that Father Hector is no longer alive."

The church commission's report states that "there is evidence that the priest was buried in the farm belonging to Saul Ruiz near the San Francisco exit, in the direction of Santa Fe."

Argentina

Government Supports 'Any' Peaceful Gulf Proposal

PY2002165091 Buenos Aires TELAM in Spanish 1627 GMT 20 Feb 91

[Text] Buenos Aires, 20 Feb (TELAM)—Foreign Minister Guido Di Tella has asserted that Argentina will support any proposal that may contribute to a climate of stable and lasting peace in the Persian Gulf, but said that this course will become increasingly improbable if Saddam Husayn remains at the head of the Iraqi Government.

The minister made this statement as he left the Congress building, where he participated in a closed-door meeting with the members of the Chamber of Deputies Foreign Affairs Commission.

Di Tella Views Proposals

PY2002170691 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 20 Feb 91

[Relay from Congress by Pedro Leon]

[Text] Foreign Minister Guido di Tella is now leaving the Chamber of Deputies, but he still has several official activities on his agenda today. Because time is running short we will only broadcast excerpts of what Di Tella told the media after the meeting with the representatives of the Chamber of Deputies Foreign Affairs Commission.

[Begin recording] [Unidentified reporter] Mr. Minister, did you discuss the Persian Gulf during the meeting?

[Di Tella] Issues of public knowledge were raised, especially the maneuvers [words indistinct] at least as a second phase.

[Reporter] What is Argentina's stance regarding the two peace proposals for the crisis, that is, the one made by the Iraqi Government and the latest one made by the USSR?

[Di Tella] I can honestly say that we have fully complied with the UN Security Council Resolutions and we will maintain this position. We believe that the peace that should be attained should be stable and not a sterile peace.

[Reporter] Does this mean that the executive branch does not (?support these proposals)?

[Di Tella] There are still details of the USSR proposal which are not quite clear to us and which we are just [words indistinct]. Basically, I repeat, we believe that some [words indistinct] of the UN resolutions must be complied with and that the peace that may be attained should be stable and not....

[Reporter, interrupting] Does this mean that Argentina shares the U.S. Government's position on this subject?

[Di Tella] Argentina wants a stable peace. As you may be aware, at this point the situation is extremely complex and requires [words indistinct] a stable peace.

[Reporter] [Word indistinct] a lasting peace. Has the president mentioned the need to find a definite solution to the Middle East problem?

[Di Tella] Naturally. This subject cannot be solved in an isolated manner [words indistinct], there is no doubt about that. The situation in the Middle East after peace is attained is a very complex problem that will probably....

[Reporter, interrupting] Will this situation be discussed during the next UN General Assembly?

[Di Tella] It is quite likely. [end recording]

These are excerpts of Minister Guido Di Tella's comments at the end of the meeting with the members of the Chamber of Deputies Foreign Affairs Commission.

Ship Departs for Support Mission in Persian Gulf

PY2002203291 Madrid EFE in Spanish 1526 GMT 20 Feb 91

[Text] Bahia Blanca (Argentina), 20 Feb (EFE)—The Argentine corvette Rosales left today for the Persian Gulf area to provide logistical support to the allied military troops fighting Iraq. The vessel, which carries 15 officers and 85 NCO's [noncommissioned officers], will replace the Argentine Navy destroyer Admiral Brown and corvette Spiro, which have been in the region of conflict since late October.

Defense Minister Antonio Gonzalez attended the farewell ceremony for the vessels at Puerto Belgrano Naval Base in southern Buenos Aires Province. Gonzalez told the sailors: "You must know that you bear the fraternal embrace of the entire nation, which is proud of all of you."

The German-designed Rosales corvette weighs 1,700 tons and was built in state-owned shipyards and naval factories. It is 92 meters long and 11 meters wide. It is equipped with "MM-28 Exocet" missile launchers, two triple torpedo tubes, "40/70" machine guns, and a landing pad for one helicopter. Argentina is the only Latin American country that has sent vessels to the Persian Gulf to support the multinational blockade to force the Iraqi withdrawal from Kuwait. In mid-January the Argentine Congress approved stationing the vessels in the conflictive area to provide logistical support to the allied forces, but they were not authorized to participate in military operations.

Opposition political parties and several social organizations have criticized President Carlos Menem's decision to send vessels to the Persian Gulf.

Navy Ship To Provide Logistic Support in Gulf

PY2102030091 Buenos Aires TELAM in Spanish 1909 GMT 20 Feb 91

[Excerpt] Bahia Blanca, 20 Feb (TELAM)—Defense Minister Antonio Erman Gonzalez, who presided over the departure ceremony for the corvette Rosales in Puerto Belgrano, has announced that the government will send another ship to the Persian Gulf to support the multinational force that is fighting Iraq.

Another ship will be sent instead of the destroyer Argentina, which was getting ready to leave. The minister said the replacement will be a Navy cargo ship that can carry merchandise, medicine, food, and other services that could be needed in the area.

During a press conference that he hosted after the departure of the corvette Rosales, Gonzalez explained that the cargo ship will depart in the next few days, as soon as it is ready. He said: We will request the cooperation of civil organizations and agencies so the first shipment will include primarily food and medicine.

He explained that there are three major reasons for this decision: First, it is totally consistent with the logistical support task ordered by Congress and the executive branch, and it will contribute to this task.

Second, the unit will remain in the area for five months, providing all the support that may be necessary for evacuation or transportion of other items that may be necessary as a result of the conflict, he added.

Third, he said, there is a factor with which you are familiar and which is no secret at all. There are budgetary reasons, financial reasons that have prevented us from sending the destroyer Argentina as was scheduled. [passage omitted]

Congress Approves Tax Package; Changes Detailed

PY2002223891 Buenos Aires BUENOS AIRES HERALD in English 19 Feb 91 p 5

[Text] (NA-DYN)—If all goes according to plan, the new tax package should begin to produce fiscal results this week. Once the new law, which was approved by Congress at the end of last week, is published in the Official Gazette the new tax measures will go into effect.

The economic cabinet spent yesterday analyzing the impact of the changes introduced by Congress on the revenue that the tax package is expected to generate. When the proposals left Cavallo's office, the aim was to raise an extra 150 million dollars a month. But Congress' amendments have changed things somewhat. In particular, the revenue from the tax on bank deposits—which was raised from 0.3 to 1.2 percent—will go to the social security fund, rather than the national Treasury.

The tax on assets—which in the end is to be charged at a single rate of two percent—will be paid by the agricultural sector on only 50 percent of the value of agricultural property. Insurance companies and cattle consigners will pay the tax on only 40 percent of their assets.

Value added tax (IVA) was raised from 15.6 percent to 16 percent. In order to attract into the IVA-paying fold those who are not currently registered, an extra tax of 20-50 percent will be charged on top of the standard rate for those who are not paying.

IVA will be charged at 25 percent on electricity, gas, water and telecommunications services, although domestic users will be exempt. The Encotel [National Enterprise for Mail and Telegraph] postal service is also to be spared.

The tax on foreign exchange transactions was raised from 0.1 per 1,000 to six per 1,000. The tax on foreign trade deals was raised from 0.1 to four per 1,000.

Property transactions will pay a tax of 1.5 percent of the sale price.

Taxes have been reintroduced on cigarettes—at eight percent, on the interest earned on fixed-term deposits—at 2.2 percent, and on the purchase and sale of public debt papers. The revenue from all three taxes will go to the provinces.

The first parts of the plan to go into effect, and which will apply from today, are the tax on property and foreign exchange transactions, on deposit account income, cigarettes and public debt certificates.

The bank deposit tax and the increase in the IVA will take effect from Thursday [21 February] while the changes in the assets tax will begin to apply from a week after.

While the economic team is hoping that the new tax measures will rapidly do something to ameliorate the country's dismal fiscal situation, a number of opposition voices have been calling for a more far-reaching and longer-term programme from the government.

According to the Senate Radical bloc leader Aldolfo Gass, the tax law passed over the weekend will "serve to patch things up for only 30 to 45 days, but no more." Gass believes that "medium-term goals are missing."

Ucede [Democratic Center Union] leader Alvaro Alsogaray reckoned that "while the law and these taxes won't resolve Argentina's problem, perhaps they will buy some time so that the economy minister can draw up a real plan of action."

Somewhat more optimistic than Gass, Alsogaray put the length of time bought by the measures at 60-90 days, after which Cavallo would have to "press on with a broad programme on all fronts."

The ex-presidential adviser on foreign debt added that "public spending must be dramatically reduced, and taxes collected; not raised, but collected."

Brazil

President Collor Launches Forestry Program

PY1502230091 Brasilia Domestic Service in Portuguese 2100 GMT 14 Feb 91

[Text] President Fernando Collor today visited the cities of Imperatriz and Acailandia, in Maranhao State. He signed a document creating Forest Centers Program in Eastern Amazonia.

President Collor launched the program in Imperatriz by creating a private foundation that will promote and implement projects for the preservation, recovery, and use of national resources. President Collor also signed a message for the National Congress requesting authorization to allow the Vale do Rio Doce company to participate in a forest project called Maranhao Cellulose. The idea is to create more than 3,000 direct jobs and more than 6,000 indirect jobs over 10 years and recover more than 12,000 hectares of deforested land. The overall program will affect more than 250,000 hectares of land, an area larger than countries like England and Portugal.

President Collor also went to the city of Acailandia, where he was greeted by nearly 7,000 people. In his speech, the president promised the installation of a drinking water supply system; an old demand of Acailandia inhabitants. Collor thanked former Governor Joao Castelo for his support at the beginning of his presidential campaign, and Collor called all the political leaders, mentioning Governor-elect Edson Lobao and PFL [Liberal Front Party] Senator Alexandre Costa, to help—together with the rest of society—the country overcome the crisis by defeating the inflation which, according to the president, is a plague and a pest with which Brazil can no longer coexist.

Sao Paulo Workers Protest Autolatina Layoffs

PY2002023491 Madrid EFE in Spanish 1749 19 Feb 91

[Text] Sao Paulo, 19 Feb (EFE)—Today thousands of metalworkers staged a protest in Sao Paulo against lay offs for 8,100 workers from Autolatina, the enterprise that administers the Volkswagen and Ford companies.

The Autolatina board's justification for this measure is based on a heavy drop in sales. This is affecting 18 percent of the enterprise's total 60,000 personnel.

In January, 79,000 Sao Paulo metalworkers were laid off, representing 3.63 percent of the overall number of workers. That same month, automobile sales dropped by 20 percent in comparison with January 1990.

This morning, over 4,000 Volkswagen workers blocked Anchieta Avenue, which links Sao Paulo to the coast, for more than an hour; they then returned to the factory to continue the strike.

In a general meeting, another group of 4,000 Ford workers today approved an indefinite continuation of the strike that began yesterday to protest the lay offs.

Bahia Cacao Growers, Siberians Discuss Trade

PY1602022091 Rio de Janeiro O GLOBO in Portuguese 15 Feb 91 p 23

[Text] Salvador—Bahia State cacao growers are opening a new front in our trade with the Soviet Union through deals bartering cacao products for fertilizers, equipment, and vehicles. This week a trade delegation from Omsk, Siberia, made up of leaders from 15 cooperatives and headed by Anatoliy Afonin, visited Itabuna, southern Bahia State, to discuss their first deal: trading 500 tons of cacao liquor for 5,000 tons of fertilizers.

The Soviets are now in Parana State, where they are striving to reach technical agreements. Fernando Rios, president of the Central Cacao Cooperative [Cooperativa Central de Cacau] (Copercacau), has reported that an agreement will be reached before the Soviets end their visit. For Rios, negotiations through cooperatives present a number of advantages, especially the absence of middlemen, and the advantages could be increased by bartering products of cacao—a crop in crisis—for equipment and even cars. The initial contacts took place during the second half of 1990 when Brazilian cacao growers visited the Soviet Union.

Jan Trade Balance Records $1.347 Billion Surplus

PY2102020891 Brasilia Domestic Service in Portuguese 2200 GMT 19 Feb 91

[Text] Brazil's January trade balance recorded a surplus of $1.347 billion. Exports reached $2.961 billion, the best result obtained so far in the first month of the year. Imports reached $1.614 billion.

According to Edgar Pereira, national secretary for economy, these results are due to an increase in exports resulting from the exchange variation. A reduction in imports and petroleum purchases also contributed to this positive surplus.

Supply, Price Department Director Resigns

PY2102020691 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 19 Feb 91

[Text] Marcos Mallan, director of the Economy Ministry Supply and Prices Department, has tendered his resignation. Ricardo Mesquita has been named to replace him.

* Seven More Firms To Be Denationalized

91SM0173C Sao Paulo O ESTADO DE SAO PAULO in Portuguese Economic Section 15 Jan 91 p 4

[Article by Jo Galazi: "Seven More Firms Join the List"; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] Cosipa [Sao Paulo Iron and Steel Company], Acominas [Minas Gerais Steel Company], the CSN [National Iron and Steel Company], and four other companies are headed for the denationalization program.

Rio de Janeiro—The government's decrees adding seven more firms to the National Denationalization Program are now being drawn up. Within two weeks, the commission administering the program will provide President Fernando Collor with explanatory statements covering the privatization of Light [Electricity Services, Inc.], Escelsa (Espirito Santo Electric Power Plants, Inc.), the CSN, Cosipa, and Acominas. The names of Acesita [Itabira Special Steel Company] and Petroquimica [Petrobras Chemical Corporation] were submitted to the president last week.

The major new feature of the list is the inclusion of two firms that supply electricity to the population (Light and Escelsa)—a sign that it is through them that the government wants to begin privatizing public utilities. Privatization is still dependent upon regulations to be adopted by Congress.

As was true with the previous lists, companies in difficulty outnumber those that might naturally attract buyers. Most have large debts. The current list also does not include any state-owned firms as coveted as Usiminas [Minas Gerais Iron and Steel Mills, Inc.], the Tubarao Iron and Steel Company (CST), and Copesul [expansion not given], all three of which are already part of the denationalization program.

The companies which the government is now including in its program include a few that will need a major reorganization and a tremendous injection of funds if they are to become profitable. One of them is the CSN, which has been moribund for several years even though it is productive. Another is Acominas, a complicated project which was started during the Figueiredo administration and which has yet to show any good results.

The privatization process is a slow one. After officially entering the program by presidential decree, a state-owned firm is evaluated by consulting firms, and the process of selling it is entrusted to consortiums made up of consulting firms and financial institutions. All are selected by a public bidding process and have 90 days in which to complete their work.

* Nov Industrial Production Down in All States

91SM0170C Sao Paulo O ESTADO DE SAO PAULO in Portuguese Economic Section 15 Jan 91 p 12

[Article by Jo Galazi: "Industrial Production Down in All States"]

[Text] Rio de Janeiro—The regional results for industrial production in November—disclosed yesterday by the Brazilian Institute of Geography and Statistics (IBGE)—show that the recession has already set in, as the IBGE itself acknowledges. All the states surveyed recorded a decline in production by comparison with the same month of the previous year. The state of Sao Paulo, with a decline of 9.6 percent, recorded the poorest performance in the Southeast. Even Minas Gerais—which in the three previous months had been recording industrial expansion—could not hold out in November, when its industry produced 7.7 percent less than in November 1989.

In all the states surveyed, production was below the average reported between 1982 and 1989. For the year, Pernambuco recorded the most negative result (-11.9 percent) and Minas Gerais and Parana the best result, although it was still negative (-2.7 percent). Industrial production in Sao Paulo from January through November recorded a decline of 10.7 percent, while Rio de Janeiro—which recorded a decline of 8.8 percent for November—had a cumulative loss of 9 percent for the year.

In Sao Paulo, where industrial production had already declined by 8.3 percent in October, the slowdown was caused by the performance of the metals sector (-23.3 percent) and the machinery sector (-25.8 percent). According to the IBGE, the only positive contributions to Sao Paulo's industry were made by the beverages sector (+5.1 percent), the food sector (+1.6 percent), and perfumes (+1.1 percent). Santa Catarina recorded the poorest performance by comparison with November of last year (-18.7 percent), as a result of a decline of 54.8 percent in the nonmetallic minerals sector, 31.6 percent in the plastic materials sector, and 21.3 percent in the metals sector.

The same nonmetallic minerals that caused the drop in industrial production in Santa Catarina recorded a 26.4 percent growth in Bahia, thereby helping Bahia to stand out as the state in which there was the smallest decline in industrial production in November 1990 by comparison with the same month in 1989 (-4.6 percent). The IBGE explains that November traditionally records an industrial performance inferior to that of October—the month in which there is a concentration of Christmas orders. The problem is that in 1990 this decline was accentuated. The Southern Region recorded a drop in industrial production of 12.5 percent for the month of November and of 7.5 percent for the year, whereas in the Northeast the figure for November was -5.9 percent and for the year -5 percent.

* Economists Define Various Scenarios for 1991

91SM0174A Sao Paulo EXAME in Portuguese 9 Jan 91 pp 26-28

[First paragraph is EXAME introduction]

[Text] Making the right predictions is difficult in Brazil, but economists of various persuasions say there will be a recession accompanied by inflation.

One of the most difficult tasks for an economist is that of making predictions. And no wonder. The Brazilian economy is constantly bringing surprises. Over the past 10 years, reality has consisted of discrediting all scenarios from the most optimistic to the most pessimistic. Even the ministers of finance, who have access to nearly all the data they want concerning the economy, are frequently proven wrong. They have dispatched inflation to the cemetery at least 100 times, but it has always come back to life. Former Minister of Finance Mailson da Nobrega ventured to say in November 1988: "I believe we can set a goal of declining inflation for January." But inflation rose from 27 percent in November to 29 percent the following month and continued to point upward in January. Facing the threat of a rate on the order of 40 percent, Mailson had recourse to the Summer Plan. More recently, the current minister, Zelia Cardoso de Mello, also fell into the prediction trap. In April, after learning the first results of the Collor Plan, she announced a monthly inflation goal of 0 percent—but the rate exceeded 7 percent in April. As the lights went out on last year, she was again caught unawares by the insidious dragon. During a meeting with President Collor and the other ministers, she said she expected the rate to fall to 15 percent in December. On the last working day of the year (the 28th), the IBGE [Brazilian Institute of Geography and Statistics] dashed the minister's hopes by announcing that the IPC [consumer price index] stood at 18.3 percent. Zelia would have been better off to keep her promise not to make any more predictions.

What does 1991 hold for us? Even the most optimistic person—the one who misses his train and feels that he has gained a few hours in which to admire the beauty of the station—is not going to imagine that Brazil will do as well as Japan and Germany. On the contrary. "Nothing good is going to happen in 1991," says economist Edmar Bacha of the PUC [Pontifical Catholic University] of Rio de Janeiro. But anyone who was thrilled with 1990, a year replete with such excitements as the seizure of savings and sensational ministerial love affairs, can lose nothing by hoping. For 1991 also holds promise of many surprises. To start with, there is the threat of war in the Persian Gulf, which brings up the prospect of the imponderable as far as any scenario drawn up for this year is concerned. A little further in the future—in March—the new congressmen and governors will take office, and that will also produce a new political situation with direct effects on the economy. Even with no World Cup and no elections, 1991 will nevertheless be the year of privatizations and the year when the new cruzados are returned. That is the range of alternatives through which the economy is going to steer a course over the coming 12 months.

Predictions by Eight Economists Concerning Main Indicators (in percentages)

Economist	Inflation (note 1)	GDP (note 2)	Industrial production (note 2)	Farm production (note 2)	Foreign exchange (note 3)	Trade surplus (note 4)	Overnight money rate (note 5)
Mailson da Nobrega (MCM Consultants)	13	-2	-2	-3.5	2 to 3	11	-
Yoshiaki Nakano (Sugarloaf)	20	-4	-	-	(note 6)	12	-
Istevan Kaznar (Ibmec/FGV)	12	-3	-5	-5	-	13	-
Walter Mendes (Unibanco)	22	-3.8	-4	-1	2 to 3	10.7	4
Antonio Carlos Porto Goncalves (FGV)	16	0	-2	-2	-2	3 to 4	10
Jose Alfredo Lamy (Boavista Bank)	15-20	-	-	-	5-10	-	2
Celso Martone (USP)	12	-4	-8	+5	(note 6)	15	4
Francisco de Assis M. de Mello (Ibmec)	15	-2	-3 to -5	-	2 to 3	10	1 to 2

1. Average monthly inflation during the first quarter.
2. Growth for the year.
3. Real monthly change in dollar rate, first quarter.
4. For the year, in billions of dollars.
5. Real monthly rate during the first quarter.
6. In accordance with the BTN [National Treasury Bonds]

Point of Agreement: In an attempt to outline a few scenarios for this year, EXAME consulted several economists who specialize in futurology. The diagnoses differed. Some economists feel that the government will win a small victory over inflation during the first three months of the year. Others think the exact opposite. But all agree that there will be a recession. Everyone foresees a negative performance by the GDP [gross domestic product] this year—and most feel that the GDP will fall by about 4 percent, or about the same as in 1990, according to the latest estimates by the IBGE.

The opinions of the economists make it possible to outline at least three scenarios for 1991. According to the first—an optimistic one—the government will carry out a far-reaching tax reform and reach the end of the year with one-digit inflation and the ground plowed and fertilized for a resumption of growth next year. In the second scenario, which takes the middle—or realistic—ground, the government will not achieve the required tax adjustment but will reach a precarious social agreement and score points against the inflation rate. Lastly, there is the pessimistic third scenario. According to this scenario, which is the one considered most probable by the majority of the economists, the government will neither succeeed in controlling its financial situation nor manage to pin down a social agreement. As a result, high inflation rates will return.

If there is one thing on which a consensus among economists exists today, it is the need for financial equilibrium in the state as a prerequisite for success in fighting inflation. "As long as the public sector's financing problem has not been solved, there will always be a lack of confidence in the currency—and inflation is nothing other than distrust of the currency," says Luiz Carlos Mendonca de Barros, former director of the capital market for the Central Bank and currently manager of the Planibanc [expansion not given] Stock Brokerage in Sao Paulo.

Middle Ground: But achieving that equilibrium will require a number of measures considered impossible at the moment, chief among them a revision of the Constitution. It is impossible to imagine how the government's accounts could be drastically adjusted without amending the Constitution, because such an adjustment would require drastic cutbacks in personnel, including those protected by the Constitution. According to calculations by economist Claudio Adilson Goncalez, who was an adviser to Mailson da Nobrega when the latter was minister of finance and is now his partner in the MCM [expansion not given] consulting firm, 60 percent of the federal government's revenues are already pledged, under the terms of the Constitution, to the states and municipalities in the form of transfers. The remaining 40 percent is divided between personnel payments and current spending, security, and capital expenditures. He says: "Not a penny is left over for paying interest on the public debt."

Between success and failure, there is always the middle ground, and it usually presents fewer risks. In that scenario, what one can glimpse is a gradual adjustment of the public sector's accounts, and it might even be possible to conclude a social agreement, although a precarious one. The economic team at Unibanco [expansion not given], for example, is using that possibility as the basis for its forecast of how the so-called open capital companies will fare this year. According to its forecast, the government will reduce its budget by an amount equal to 7 percent of GDP to wipe out the deficit this year. "For the moment, that cut has not taken place," says Walter Mendes de Oliveira Filho, head of Unibanco's superintendency for sectoral and company research. According to him, the government will have to come up with a fatter tax package and accelerate the privatization program to achieve the desired result. Another possibility he is working with as part of the same scenario is that a small amount of foreign exchange—on the order of $3.8 billion—may be used to pay interest on the foreign debt.

But Mendes sees many difficulties that may prevent that scenario from becoming a reality, and they are caused by the tight cash situation. He says the public coffers will get a big jolt at the very start of the year owing to a pay increase for government employees and lower tax collections as a result of lower profits in the firms. The economist calculates that because of the economic slowdown in 1990, profits in the open capital companies fell by from 40 to 50 percent. And if his scenario comes true in 1991, the country will end the year with inflation of 8 percent per month and a 3.8-percent drop in GDP. Another economist who also considers it possible to avoid disaster this year is Istvan Kaznar, an expert at the Brazilian Capital Market Institute (Ibmec) who also teaches at the Getulio Vargas Foundation in Rio de Janeiro. In his opinion, the recession taking shape this year should cause inflation to decline through December. He also considers it possible that beginning in April or May, there will be a recovery in exports as a result of the change in the mechanisms for financing sales abroad. Kaznar says that increased shipments of goods abroad may partially offset the effects of the domestic recession.

Pessimism: As is now becoming a tradition in Brazil, most economists are concentrated in the pessimistic wing. In fact, if any industry has flourished in this country over the past decade, it has undoubtedly been the doomsaying industry. With every disaster, the dollar soars, fees for economic consultants go out of sight, and little shouts of joy are heard from the financial market. Things are no different now. If the economists making up that wing are right, Brazil will go back to living with the hyperinflation it knew during the Sarney administration. Economist Yoshiaki Nakano, who was an adviser to former Minister of Finance Luiz Carlos Bresser Pereira and now works as an economic analyst for the Sugarloaf Group, is one of those betting that that will happen. He complains: "The government is pushing the country into an unnecessary and pointless recession." In his opinion, the brake that is now slowing down the economy is not going to slow inflation at all, not even in

the short term. Among the factors he considers responsible for this, he emphasizes the following:

- The imbalance in relative prices in the economy.
- The lag in prices for public services, chiefly fuels.
- The pressure being exerted on company costs by interest rates.
- The increase in idle capacity, which ends up as one more burden on the fixed costs of the firms.

Nakano feels that by the end of the first quarter, inflation will be in the neighborhood of 20 percent per month. But in his opinion, the strongest pressure will be felt in the second quarter, chiefly because of expectations concerning the refund of new cruzados. Because of that, he believes that the government may adopt a more drastic measure before the first half of the year is out. If he were playing roulette, he would put all his chips on a new wage and price freeze.

A similar forecast is made by economist Joaquim Eloi Cirne de Toledo, who is a professor at the USP [Sao Paulo University] and a researcher at the FIPE [Economic Research Institute Foundation]. His argument is based on the fact that during the second quarter, the government will have to loosen the reins on its tight money policy. It will be forced to do so, Toledo says, because of very strong pressure on the firms and the financial market. A looser monetary policy will be followed by a recovery of economic activity and by the cloud of a new acceleration of inflation. When that happens, Toledo says, the government will be forced to apply another shock. "We all know what will happen then: economic activity will slow down, then pick up again two or three months later, and after that will come inflation." It is hoped that the government will resist, for as long as it can, the temptation to apply another freeze. "If it applies another shock, there will be what we could call the 'Sarneyization' of the Collor administration," economist Edmar Bacha decrees. As far as we know, that comparison represents everything the current administration wants to avoid.

Chile

Chilean National Airline Flight Crashes

PY2002211091 Madrid EFE in Spanish 2042 GMT 20 Feb 91

[Text] Santiago, 20 Feb (EFE)—According to local radio stations, a Chilean National Airline (LAN-Chile) airplane crashed into the frozen waters of the Beagle Channel with 90 passengers on board. The accident took place 150 meters from the airport in Puerto Williams, 2,700 km south of Santiago.

The plane is a BAE-146 (British Air Space) [preceding three words in English]. It was flying between Punta Arenas—a town 2,470 km south of Santiago—and Puerto Williams, which is a Chilean naval base.

According to the first reports, some passengers were seen on the wings of the plane, which is floating in the Beagle Channel, which marks the border between Chile and Argentina at their southernmost tips.

The LAN-Chile public relations office in Santiago has confirmed this accident, but it has no further details.

Plane Crash Kills 20

PY2002230291 Santiago Radio Nacional de Chile Network in Spanish 2200 GMT 20 Feb 91

[Telephone interview with Navy Commander (title as heard) Gustavo Marin by an unidentified reporter—recorded]

[Excerpt] [Reporter] Can you tell us the official Navy version of the events that took place in the 12th Region?

[Marin] Yes. I can tell you that at about 1630 today, a BAE-146 airplane from LAN [Chilean National Airline] fell into the sea in an attempt to land at the Puerto Williams landing strip. It fell right in the port area. Fortunately, the airplane fell near all our ships; this means our auxiliary ships, torpedo boats, rubber boats, and a rescue helicopter from the local airfield all actively participated in the rescue maneuvers.

The airplane was making its second flight of the day carrying tourists. It was carrying 65 tourists, most of whom were Americans who were supposed to board the tour ship Society Explorer [preceding two words in English] to travel to Antarctica. They were supposed to sail today at 2000.

Out of the total 72 people who were in the airplane, including the crew, there have been 20 deaths, all of whom are missing, while 26 people are being assisted at the Puerto Williams Navy Hospital. The rest of the passengers who were unhurt are already on board the Society Explorer. [passage omitted]

Correction on MIR Views Rettig Committee Report

PY2002181691

This correction pertains to the item headlined "MIR Views Truth, Reconciliation Committee Report," published in the 20 February Latin America DAILY REPORT, page 34:

Column two, third paragraph, end of only sentence make read: of the PPD [Parties for Democracy]. (correcting expansion)

Colombia

Brother of Prisco Gang Leaders Found Murdered

PA2102025991 Mexico City NOTIMEX in Spanish 0149 GMT 21 Feb 91

[Text] Bogota, 20 Feb (NOTIMEX)—Colombian police tonight found the body of Dr. Conrado Prisco Lopera,

brother of the leaders of the "Prisco" gang, which is in the service of the drug traffickers. He had disappeared on 18 February.

According to police, the Prisco gang, financed by the Medellin cartel, has carried out dozens of murders and dynamite bombings in several Colombian cities.

The doctor, who was employed at a government clinic in Medellin, apparently was not involved in the activities of his brothers, who were killed in clashes with the police in the Department of Antioquia a few months ago.

His mother had asked the attorney general this morning to investigate her son's disappearance. His body, showing signs of having been tortured, was found in Cocorna, 30 km east of Medellin.

Police claim the Prisco gang was responsible for the deaths of at least 215 policemen over the last two years.

Terrorist Attacks Planned on Military Facilities

PA2002135891 Bogota EL TIEMPO in Spanish 12 Feb 91 p 7B

[Text] The Colombian Army intelligence services have uncovered a terrorist plot by the Simon Bolivar National Guerrilla Coordinating Board [CNG] to blow up Military Industry [Indumil] installations in the neighborhood of Soacha.

The report, received early in January, says the attacks would be perpetrated by urban commandos of the Revolutionary Armed Forces of Colombia [FARC] and the National Liberation Army [ELN].

Sources from the Armed Forces said that, as part of the plan, the insurgents stole one and a half tons of dynamite a few days ago from Paving, the corporation in charge of paving the Bogota-Villavicencio highway, whose installations are located along the same highway. As soon as the theft was reported, the Army asked the Police General Directorate to send troops to set up special surveillance patrols in the area.

Army informers said that the subversives' actions against those objectives could take place in February. Therefore, authorities initiated operations in the south of Bogota to counter any such attacks. Police intelligence and counterinsurgency units were assigned to patrol the areas where the attacks could occur.

Although the sources did not give details on how the attacks would be perpetrated, the authorities have assumed that the actions would be aimed at facilities of strategic economic interests in that part of the Bogota savanna.

According to the authorities, an attack on the El Muna reservoir would be aimed at dynamiting the generating plants located in the area. Police sources have said that the terrorists' attacks would be backed by members of the 38th FARC front, which is headquartered in the east of the department; the front has moved toward the capital in the past few days.

It has also been reported that, as part of the subversive actions, the CNG guerrillas were planning to attack targets in the Cazuca industrial complex in the south of Bogota. Security in the outskirts of the capital was intensified to prevent possible attacks on corporations by rebels.

There are also joint Army and police patrols on the highway leading from Soacha to La Mesa, where Indumil is located.

Security has also been intensified in Bogota to prevent surprise attacks by ELN and FARC urban guerrillas against public transportation vehicles.

* Counterterrorism, Anti-Drug Policies Criticized

* Silence Erodes Confidence

91SM0188A Bogota EL TIEMPO in Spanish 27 Jan 91 p 4A

[Editorial by Enrique Santos Calderon]

[Text] "Generals, are we losing the war?" This is how we entitled an interview that Plinio Mendoza and I conducted two years ago with the minister of defense and the commander of the military forces concerning the major offensive being waged by guerrilla forces at the time.

The answers given by Generals Samudio and Guerrero, now assigned to diplomatic posts, were not totally convincing. In the midst of serious arguments which, although well-worn, are nevertheless valid: budgetary constraints and a lack of resources, legal impediments to action, lack of support from the people, and so on, there was a tendency to deny the gravity of the problem, the insistence that the Army was in control of the situation and that the country would continue to move forward.

Today, with a far more serious law enforcement situation and facing an unprecedented terrorist situation, it is important to know the opinion of an Army that 20 years ago was considered a continental model of counterinsurgency, to learn whether it thinks it still controls the situation, how it would explain and evaluate what is happening, what responses it offers, what recommendations it proposes.

I cannot fathom the Armed Forces' silence in the face of a crisis that has the country on tenterhooks. Why do they not give their side of the story or call in the press in order to dispel anxieties besieging everyone? Their silence, joined with that of the civilian government, only heightens an already widespread crisis of citizen confidence in the government's ability to contain the rapidly deteriorating situation.

One has the impression that the government is bent on minimizing what is happening, thinking, perhaps, that

recognizing the seriousness of the phenomenon amounts to magnifying it or attributing too much importance to the authors of terrorism.

This, however, is the head-in-the-sand approach because we are confronted with an unconcealable, critical problem that threatens to upset the government's entire program. I do not think there can be any economic opening, foreign investment, or development plans in a country whose highways and bridges, power and communications systems, mining and petroleum projects are being blown up!

One can discern no overall, coherent, coordinated strategy for confronting subversion or achieving peace, which are basically the same thing. The adviser for peace states that the attack on Casa Verde (of which he claims not to have been informed) is the business of the military and that the lines of communication must be kept open. The minister of government emphatically rules out any dialogue under the present circumstances. After the smug initial statements released following the Casa Verde takeover, the military assumed an attitude of disturbing silence vis-a-vis the terrorist response of the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation].

Is the problem still the Armed Forces' lack of resources? Do they need yet more strength? Are they still scattered, overseeing properties seized from drug traffickers or protecting civilians? Are they hogtied by legal restrictions?

Is the priority the military path, as indicated by the new Army offensive in La Uribe? Or is it dialogue, as President Gaviria hints in his surprising offer to foster "direct and expeditious rapprochements" with the FARC and ELN? If this is the carrot and the stick policy, we must also admit it has failed. We should know what we are doing.

Whatever the case, it is time for the supreme commander of the Armed Forces to take more direct control of the situation. It is time for the president to exercise leadership in the field of law enforcement, demand results and assess responsibilities, and report to the country on the situation.

There are things people do not understand. For example, why, right on Troncal del Caribe, 20 minutes from Santa Maria, would a dozen police officers have to hold off 80 guerrillas for 20 minutes without reinforcements ever arriving? Or how guerrillas can have all the time in the world to burn mining and oil camps when we know that they are not only favorite, previously announced targets, but generally located close to military bases?

Having barely written these lines, I now learn of the tragic events in Medellin. The absurd and execrable assassination of Diana Turbay and the new threats of "the extraditables" could lead to a renewal of narcoterrorism, about all we need at the present time.

These serious events and the additional deterioration that could result in law enforcement confirm the need for close coordination of military and political-legal strategies in the bargaining processes, whether with guerrillas or drug traffickers.

When there is a lack of understanding, when each one goes his own way, the effects are contradictory and sometimes catastrophic, precisely what we are now seeing.

* Stronger Institutions Urged

91SM0188B Bogota EL TIEMPO in Spanish 28 Jan 91 p 5A

[Editorial by Plinio Apuleyo Mendoza]

[Text] Thunderstruck and feeling the pain to the very core of our beings, the country heard Friday the terrible words of that admirable woman, Nydia Quintero de Balcazar. She, along with former president Turbay Ayala and his son, Julio Cesar, Jr., begged the government, on very solid grounds, not to try to rescue Diana or the other kidnapped newsmen. They knew what might happen and precisely what they feared did occur, in spite of everything.

Why did it happen? I do not think President Gaviria is insensitive to such entreaties. Moreover, he must have understood that a kidnapped newsman alive is preferable to a newsman released dead. Judging by what we now see, the president allowed the Police and Army to act independently, as they pleased, without measuring the consequences and without taking government policy into account. The president has given up an essential privilege of his mandate.

It looks as if there were two policies when confronting drug trafficking and terrorism: one outlined by young civilians at the Casa de Narino and another designed by the military. It is as if we had two governments.

With drug trafficking, the president was coming closer to peace thanks to Decrees 2047 and 3030. The two Ochoa brothers had turned themselves in. The extraditables had ordered a truce. The kidnapped newsmen might be released at any moment. At any rate, their lives were not in danger.

Given such prospects, anyone with any brains at all would have thought that DIJIN [Judicial and Investigative Police Directorate] and the Police Elite Corps would proceed with maximum caution. Based on the conviction that it would be better to liquidate drug traffickers and their friends and relatives instead of arresting them, their sometimes brutal procedures should be checked for reasons of principle and suitability. The president had an obligation to lend an ear to serious reports of abuses that compromised his policies.

Either he did not do so or paid no attention. Either charge is serious. The fact is that the president does not exercise his authority in this area or refuses to exercise it.

This without even considering that his novice advisers are doing so. In the face of such double a barbarity, what can the lovely Maria Emma Mejia do in Medellin? Because of such shaky, or rather, such poor handling, today we are mourning for Diana and trembling in fear for Francisco, Maruja, and the other hostages. Because of such mismanagement, now, instead of one terrible war, we shall have two.

Everything is backwards: War is declared on those seeking peace and peace is proposed to those making war. While swarms of police and helicopters were swooping down on the house where Diana was being held with all the grace of a bull in a china shop, the guerrillas were left to act with impunity. At the very same time, in the same department of Antioquia near Zaragoza, 250 guerrillas had all the time in the world to blow up equipment and facilities of the French Spie Bastignolles, which is building the Barrancas-Covenas pipeline, and kidnap three French persons. Losses run in the millions. As the result of colossal irresponsibility, not a single, solitary soldier was there!

Everything is going wrong. The country is being bled white, both in terms of human lives and natural resources. Terrorism has caused the spilling of 30,000 barrels of crude worth 430 million pesos, while another 1.2 million barrels worth 17.25 billion could not be pumped. Half of all rural areas are being blackmailed or subjected to kidnappings.

A major guerrilla offensive was predictable after the taking of Casa Verde, predictable for everyone except the government. I naturally never thought this sanctuary of subversion should be left intact; such a thing was absurd. However, this operation, like the attack on Iraq, required that public opinion be mobilized, a strategy be designed, and the risks and response be calculated. If one declares war, one has to know how to win it.

And yet, such was not the case! Given its importance, the takeover of Casa Verde was not a simple military operation. It was a political decision that should have been made by the president, but he did not make it. He left the matter in the hands of the military, using the pitiful excuse that its presence throughout the national territory made it its province. It is as if Bush viewed the bombing of Baghdad as a military matter rather than his own!

It is clearly a matter of the president ducking his constitutional responsibilities. He is commander in chief of the Armed Forces, no ornamental title, but rather, a duty and a duty to be exercised in wartime. His advisers do not know what to say. Jesus Antonio Bejarano talks of a terrorist reaction for which we are not prepared. They need five or six years to do so, he told me last week. Our sole weapon—and it is a poor weapon with the FARC and the ELN—is apparently dialogue!

Everything has been done except the one thing that would be effective: strengthening the defensive capabilities of the government. That is why we are where we are. The Armed Forces have an inadequate base and lack a legal framework for their action. They cannot arrest a suspect or hold a guerrilla because the judges release them. They cannot raid a house. They can only fire their weapons when attacked. They liquidated the peasant patrols that were their best allies. Officers dare not take action for fear of being punished by the Office of Attorney General. How can a war be won that way?

The year is off to a bad start for President Gaviria: bad with respect to the drug traffickers and bad with respect to terrorism, but bad in the economic field as well! His opening is a table standing on one leg. Prices are going up while coffee sales drop, there are signs of a recession, and foreign companies are moving into a minefield. And what about the Constituent Assembly? We now see the government in a minority position with no way to guide it.

After so much initial enthusiasm, is the country not slipping out of Cesar Gaviria's hands?

Ecuador

Twenty-Two Killed in Air Force Plane Crash

PA2002160891 Madrid EFE in Spanish 0130 GMT 20 Feb 91

[Text] Quito, 19 Feb (EFE)—The bodies of the three crewmen from the Ecuadoran Air Force (FAE) plane that crashed in the Amazon region on 14 February were recovered today and taken to Quito for burial.

The Twin Otter plane had been reported missing on the afternoon of 14 February during a routine flight between the towns of Taisha and Macas, 366 km southeast of Quito. Nineteen civilians, including nine minors, were also on board.

On 18 February, an air patrol located the plane on top of an 1,800 meter high mountain near Taisha, from where the plane had taken off.

The FAE command announced that the funeral for Captain Arnulfo Perez Alvarez, Lieutenant Jorge Diaz Fierro, and Sergeant Edgar Guerra Galarza will be held at the First Air Zone base in Quito.

Meanwhile, military brigades continue working at the crash site to recover the bodies of the civilian passengers and to transfer them to Macas.

Court Authorizes Borja To Travel to Europe

PA1502213991 Madrid EFE in Spanish 0335 GMT 15 Feb 91

[Text] Quito, 14 Feb (EFE)—Today the Court of Constitutional Guarantees (TGC) authorized Ecuadoran President Rodrigo Borja's forthcoming visit to three European countries. Initially, the TGC had refused to grant permission for the trip.

The president himself went to the TGC to explain why the trip to Europe is needed. He is to make official visits to France, Belgium, and Switzerland from 16 to 25 February.

The Ecuadoran Constitution stipulates that the TGC must authorize the president's trips when the country's parliament is in recess. This morning, the TGC members refused—six votes in favor and five against—to authorize the trip.

The TGC President Eduardo Zurita told reporters that the court had "reconsidered the case" after the president presented the reasons for the trip, and had decided to grant its authorization.

TGC member Mentor Poveda is against the president's trip, arguing that Borja should remain in the country because of the health emergency which was declared on 13 February. The state of emergency was promulgated to prevent a possible cholera epidemic that is currently affecting Peru.

Borja Scores Husayn, Deplores Persian Gulf War

PA1902041291 Quito Radio Quito in Spanish 2300 GMT 18 Feb 91

[Text] President Rodrigo Borja has said that his visit to France coincides with a deplorable event, meaning the Iraqi invasion in Kuwait and the subsequent Persian Gulf war. During his speech at the dinner offered by President Francois Mitterrand, Borja said that the world had breathed in relief following the end of the cold war, adding that just when everything seemed to indicate that the world would become a fraternal and rational place, international peace was disrupted by the megalomania and ire of one man.

The president said that the Persian Gulf war is a 21st century war, from the technological viewpoint, but, from the [words indistinct], it is a Middle Age religious war like the Crusades. President Borja criticized Husayn, saying that he is a dictator whose fanaticism caused the war despite the efforts exerted by world leaders for five months. He reasserted that Ecuador's position is to condemn territorial conquests by force, and said that a military victory (?cannot replace) a peaceful solution of international controversies.

* Medina Proposes Reform of New Anti-Drug Law

91WD0393Z Quito HOY in Spanish 6 Jan 91 p 5A

[Report on interview with Attorney General Gustavo Medina by unidentified reporter; place and date not given]

[Text] Attorney General Gustavo Medina said that drug trafficking and drug abuse are no longer just a threat, but a reality in Ecuador.

Ecuador, he said, has become a new center for drug trafficking operations. The new antidrug law, as written in September 1989, is helping to cope with these crimes. He did suggest that even though that law has just been in effect for a short time, reforms should be introduced to improve the new antidrug law.

In an interview with HOY, he said drug trafficking in Ecuador has grown worse because of Ecuador's geographic position between two severely strife-ridden countries. This makes the new antidrug law extremely important. It attempts to adapt the provisions of Ecuadoran law to the Vienna Convention of 1988, which Ecuador signed.

He added that the new antidrug law is a legal instrument enabling the nation to deal with the problem more effectively. As an example, he stated that under the previous law which was in force until September 1989, the monetary penalties ranged from 50 sucres to 100,000 sucres, while in the current law the minimum wage is used as a basis for setting fines for persons convicted of drug trafficking and other related crimes.

He said that the Illicit Drug Trafficking Law, as published until September 1989, was not sufficient to cope with drug trafficking, given the magnitude and seriousness of this problem in Ecuador.

He also noted that the former law did not list the laundering of drug money as a crime. Therefore, there were no provisions for penalizing illegal wealth derived from this activity, nor did the law regulate the sale of chemical agents used in manufacturing drugs, so that large amounts of these chemical agents were brought into Ecuador, under the pretext that they were intended for lawful purposes.

The new law criminalizes and penalizes new types of activity related to drug trafficking, including the laundering of drug money, and it provides that persons who are convicted of increasing their assets through this illicit activity may receive a prison sentence of up to 16 years, and be fined up to 6,000 times the current minimum wage, through a process to be worked out in the criminal courts of the Republic of Ecuador.

In addition, he stated that this law requires the government to take action to prevent drug abuse, through education, so that teachers, students and parents "become aware of the irreversible damages caused by drug use." This is an effective step which needs to be implemented in Ecuador and in all countries.

Changing Banking Secrecy

Attorney General Gustavo Medina emphasized that a change in banking secrecy is essential if we are to investigate the crime of money laundering exhaustively and in depth. Without such a change, "all the investigative efforts may fall short."

He therefore urged Congress to approve the Banking Law reforms which the former Banking Superintendent, Fernando Guerrero, had proposed. These reforms are

designed to modify the banking secrecy regulations which makes it impossible to determine the identity of persons responsible for money laundering.

Moreover, although he said he was not familiar with the official language of the report of the parliamentary commission which investigated money laundering in Ecuador, he hopes this document, which contains a long list of financial institutions which allegedly handle transactions involving dollars, "will provide concrete data enabling legal action to be initiated, in order to determine the responsibilities or at least to provide the means to continue the investigations and establish the amounts of dollars which are coming or which have come from illegal activities, and who is responsible for handling these dollars."

He insisted that banking secrecy must necessarily be reformed, in order to make possible a thorough and exhaustive investigation of matters related to money laundering.

Three Types of Penalties for Drug Traffickers

During his interview with HOY, Attorney General Gustavo Medina said that the current antidrug law contains three types of penalties:

Deprivation of liberty. This increases with the gravity of the crime, and is generally a prison sentence of up to 16 years, although cumulative prison terms of up to 25 years are also provided.

Fines calculated on the basis of the minimum wage. The crimes of production, possession, and trafficking of the chemical agents used to manufacture drugs are punished with a special prison sentence ranging from 8 to 12 years, and fines of 40 to 6,000 times the current minimum wage.

Confiscation, that is, seizure of the assets used to commit the crime.

In addition, the new antidrug law creates the CONSEP [National Council for the Control of Drugs and Psychotropic Substances].

The objectives of this council are:

Implementing drug trafficking and drug abuse control policies.

The investigation of chemical substances used for illicit purposes, including their use for therapeutic purposes.

Drug abuse prevention. This includes the educational system.

Treatment and rehabilitation of drug dependent people.

The new antidrug law reforms will be studied jointly by the Office of the Attorney General and by Congress. They are to be implemented as soon as possible in order to establish the legal framework needed to combat drug trafficking.

Paraguay

Police Hunt for Palestinian Terrorist on Border

PY2002213691 Asuncion HOY in Spanish 20 Feb 91 p 36

[Special report]

[Text] Pedro Juan Caballero—Military and police personnel are intensively hunting for Palestinian Abdul Schalam [name as published]—who is believed to have been responsible for some 47 terrorist crimes in the Middle East and Europe—in the northern border area encompassing the cities of Pedro Juan Caballero and Capitan Bado on the Paraguayan side and the Brazilian cities of Ponta Pora and Coronel Sapucaia. A confidential report obtained by HOY states that a military-police operation that began a few days ago is linked to orders from above to hunt for the Arab terrorist.

A reliable source said Schalam entered Paraguay through Ponta Pora and was planning to come to Asuncion to contact other foreigners, either Iraqis or citizens from other countries, who had arrived in Asuncion a couple of weeks ago.

Despite the intensive military-police operation, the Palestinian terrorist remains at large. Official sources strongly believe, however, that he has been hiding in Paraguayan territory. Local military and police officials said an intensive dragnet operation is under way to arrest all criminals who are operating in the northern border area. Thus far, 300 people have been arrested, including notorious criminals and individuals without identification papers, an official spokesman said.

The source added: "It is believed Schalam was planning to contact other foreigners to perpetrate some terrorist plans here first and then go to Argentina to carry out similar terrorist attacks. Paraguayan officials, however, detected Schalam's presence and forced him into hiding."

Finance Minister Resigns for 'Health Reasons'

PY1902160891 Asuncion RPC Television Network in Spanish 1455 GMT 19 Feb 91

[Text] The news of the resignation of Finance Minister Enzo Debernardi, as predicted by RPC last night, has been confirmed. Debernardi himself said this morning that for health reasons he had tendered his resignation from this important post to President Andres Rodriguez.

[Begin recording] [Debernardi] The word resignation sounds a bit harsh to me, a word inappropriate to the circumstances. I had a long talk with the president of the Republic about my deteriorating health and told him of my concern about it. I then asked him to analyze the situation in light of the interests of the state. Of course, a finance minister must be in top physical and intellectual shape.

[Reporter] Does that mean that you feel your health is run down and that, to avoid disrupting this process, you asked the president to find a replacement because you no longer feel well enough to perform as a minister of state?

[Debernardi] That is correct; you have put it quite properly. This is yet another contribution I hope to make to the government of General Andres Rodriguez. This time, it is avoiding the disruption of the smooth operation of the government because of a physical condition that would get in the way of conducting ministerial functions as effectively as I think they should be conducted.

[Reporter] What was the president's answer?

[Debernardi] The president is a man with great human qualities who understood the situation quite well. He told me he would study the situation and then give me an answer or inform me of the solution, as the case requires. The tone of our conversation was considerate and cordial. [end recording]

Rodriguez Confirms Resignation

PY2102013291 Asuncion ABC COLOR in Spanish 20 Feb 91 p 5

[Text] President Andres Rodriguez has confirmed that Enzo Debernardi has resigned as finance minister. He said it was the result of "a long process. I can tell you that Debernardi has been complaining about his health for a year but he remained with me as much as he could at my request," Rodriguez said.

The president stated that Debernardi had told him he was sorry to resign and leave. He "no longer feels strong enough to exercise his post," he added.

"Then what can I do?" Rodriguez asked himself. He added: "I cannot demand he die complying with his mission. I am sincerely thankful for the important services he has rendered to the nation through the Finance Ministry, a very important ministry for the country."

The president said he will consider the situation and "I certainly cannot force him to remain in the Finance Ministry." Rodriguez said he is currently thinking "about someone with the capacity, seriousness, honesty, and capability for the work, and with a desire to work. That is what I seek," he said.

The president said Debernardi's replacement must be a person with "real honesty and a capability to work, with virtues."

When told that Engineer Diaz Benza had been mentioned as a possible candidate for finance minister, Rodriguez said: "I cannot tell you right now who it may be. Let me think. When I decide on who it will be, I will tell you who I have chosen."

He said he will consider many names. "There are several capable men who I truly think may carry out this task, which is a very difficult one. I know that Engineer Debernardi's health has deteriorated on account of his dedication and his physical and mental capacity no longer allows him to continue because it is a job that demands a lot from a man."

When asked if the future minister would be a military man or a civilian, Rodriguez said: "He cannot be a military man because as Armed Forces commander in chief, I will give him orders on what to do, and he may not be able to make suggestions because I will be his direct chief. Therefore, I could be sacrificing a military officer if I put him in the Finance Ministry."

When asked whether the economic team will be restructured, Rodriguez said: "Certainly, since Debernardi was a member of this economic team, it will have to be restructured."

When asked whether the future minister will be an expert or a politician he said: "We will see what is more convenient for the country. I will choose whoever is more convenient for the country."

When the president was asked about some rumors saying that Industry and Commerce Minister Antonio Zuccolillo and Washington Ashwell [Technical Planning Secretary] had resigned, Rodriguez said he has not heard of their resignations. "I am not aware of that," he said.

When asked whether he would prefer a member of the Colorado Party as a candidate for the Finance Ministry, Rodriguez said: "Well, I would like him to be a Colorado since the government I am presiding over is a Colorado government. We will seek an appropriate person to handle that post."

When asked how long it will take to know the name of the new minister, Rodriguez said: "I would like you to give me some time so as not to make a hasty selection, in order to choose the appropriate person according to my beliefs, because this is a great responsibility and I do not want to make a mistake by making a hasty decision."

When asked if there was a disagreement with Debernardi, the president said no, and that Debernardi had even offered to continue cooperating in the future.

Minister Negotiating Meat Sale to Saudi Arabia

PY1902185191 Asuncion NOTICIAS in Spanish 19 Feb 91 p 8

[Text] Industry Under Secretary Ubaldo Scavone revealed yesterday that Industry and Commerce Minister Antonio Zuccolillo Moscarda is currently in Riyadh, the capital of Saudi Arabia in the Persian Gulf, trying to sell Paraguayan meat.

"When he returns we will know if anything has been achieved or if we must continue to look for other markets," Scavone said in the course of an interview.

The industry under secretary believes that it is essential to resolve the current problems of the meat industry. He

explained that Brazil, our main buyer, is no longer interested in Paraguayan beef and we must, therefore, look for markets in other regions to compensate for the loss of this buyer.

Scavone made a surprising remark when asked if the industry and commerce ministry was negotiating a deal involving the barter of our meat for hydrocarbons from the Soviet Union.

The under secretary said: "Once the minister returns we will know whether we should continue negotiating with the Soviet Union. We will negotiate with the Soviet Union in any case because it is mutually beneficial. [no closing quotation marks as published] He conditioned, however, these negotiations to Minister Zuccolillo's success or failure in Saudi Arabia.

Scavone was asked to explain why we are still buying crude oil from Algeria instead of Argentina. He answered: "Until the issue of transportation from the Palmar Largo oil field is resolved we will not bring in Argentine fuel."

He stressed that for the time being only an emergency would justify bringing crude oil from Palmar Largo by truck.

He explained that Argentine crude oil requires desalinization and dehydration and the equipment for this will probably not be installed until around 20 March. Until then two more shipments of crude will be brought from Algeria.

Finally, Scavone was asked whether the minister of industry and commerce is currently negotiating a reduction of the foreign debt. The under secretary laconically answered: "No."

Peru

Farmers, Slum Dwellers Clash; Six Killed

PY2002151891 Madrid EFE in Spanish 0346 GMT 20 Feb 91

[Text] Lima, 19 Feb (EFE)—It was reported here today that at least six people died and 60 were injured during the past three days as a result of clashes between farmers and slum dwellers from Lima in a dispute over the possession of land.

Witnesses reported that the clashes that began on Sunday still continued on Tuesday in the area of Pro in the northern part of Lima. Sticks, stones, knives, and firearms were used during the clashes.

The two groups charge each other with having promoted the incident. The slum dwellers, who number some 3,000, live in the poorest condition. They claim to be the owners of the land while the farmers charge them with having invaded their land.

A sobbing woman today told the press that the farmers looted and burned 50 huts with the help of contracted criminals. A spokesman for the farmers said that the slum dwellers were encouraged by land traffickers to begin the confrontation.

The police today confirmed the death of two slum dwellers, one of whom was burned alive and the other was shot to death. Some 24 people were seriously injured in the clash that occurred this afternoon.

Slum dwellers said that one person died today and three others died previously.

Lima Apologizes for Attack on Egyptian Embassy

PY2102105891 Madrid EFE in Spanish 1145 GMT 20 Feb 91

[Text] Cairo, 20 Feb (EFE)—The MENA press agency today disclosed that the Peruvian Government has expressed its apologies to the Egyptian Government for the "regrettable" attack on its embassy in Lima.

The message was delivered last night by Peruvian Ambassador in Cairo Claudio Sosa to Butrus Ghali, Egyptian minister of state for foreign affairs. It states that the Peruvian Government will increase security measures around the Egyptian Embassy and around those of the other countries involved in the Persian Gulf war.

On 17 February a group of unidentified Peruvians threw a bomb at the Egyptian Embassy. The explosion caused material damage to the facade and the main entrance.

Attorney General on Release of Seven Terrorists

PY1902131991 Lima RTP Television Network in Spanish 0100 GMT 19 Feb 91

[Text] Attorney General Daniel Espichan Tomay has said that seven terrorists were released for lack of evidence last 15 February because of a lack of coordination between the attorney general's office, the judicial branch, and the national police.

[Begin recording] [Espichan] Today I saw in the office of Judge Quesada Munante the charges leveled by Prosecutor Walter Green against five of the 12 terrorists who had been placed at his disposal. The document does not explain why he released the other seven terrorists. Having reviewed the documents, I believe there is evidence that many of them were responsible for crimes. The prosecutor has failed, however, to file charges against them.

[Unidentified reporter] The judge did not want to receive the case documents on 15 February?

[Espichan] The judge told me that on 15 February at 1400 the prosecutor sent him five detained terrorists without their corresponding documents and that is why he did not receive the detained terrorists who then remained at the disposal of the attorney general's office

[sentence as heard]. A little after 1500 the prosecutor ordered their imprisonment at the Magdalena Women's Prison and at the Carceleta Prison.

[Reporter] Does this mean that there is a lack of coordination between the attorney general's office and the judicial branch?

[Espichan] It clearly demonstrates what I have been saying for the past few days: There is a lack of coordination. Each one is working on his own, the judicial branch and the attorney general's office. There is no coordination. This case, in which the detained terrorists were placed at disposal of the judge without a police report, represents serious negligence by the prosecutor. How can he send the detained men without their police reports?

I personally verified that the prosecutor sent the necessary police reports today at 0800. He received them on 15 February at 0800. This shows that he had enough time to make the corresponding evaluation and send the reports on time. [end recording]

Cholera Cases Reportedly Increase to 22,497

PY2002160491 Madrid EFE in Spanish 0245 GMT 20 Feb 91

[Summary] The Health Ministry today reported that since Sunday approximately 2,000 people per day have become infected with cholera and that the number of cases in the country now totals 22,497, of which 115 have proved fatal.

According to official figures, less than one percent of the people affected with cholera have died and 5,127 have been hospitalized.

* Terrorism, Drug Trade's Effect on Mining Noted

91WR0126N Lima EL COMERCIO in Spanish 5 Jan 91 p A-7

[Excerpt] Over 400 small mining companies in Peru have halted production in recent years because of terrorism and drug trafficking "which have become the major scourges of mining," reported Dr. Luis Rodriguez Mariategui, president of the National Mining Company.

He said that not only are small mining companies stopping production, but even about 12 mid-sized firms located in Peru's central mountains have curtailed their large production of metals needed for export.

Of the large mining companies, he said that Hierro-Peru is technically bankrupt. "It has not closed because the government is keeping it going with large payments in order to keep thousands of people working."

Given this serious situation, Dr. Rodriguez Mariategui spoke of the urgent need to strongly combat terrorism "because practically all of the central mountain region is controlled by the Shining Path movement."

He reported that in the last 30 days some 14 people connected with mining have been murdered. They include two mining superintendents, one of them from the Volcan mining company and the other from the Vinchos mining company, both located in Cerro de Pasco department.

"The presence of terrorism is causing serious cutbacks in mining activity. Mining engineers do not want to stay on the job because they see there is not adequate protection."

"Immediate intervention by the Armed Forces is needed. They should take urgent action, rooting out the cells that are causing these serious damages to mining. All these groups have been identified. What is needed is the determination to wipe them out," he emphasized.

Drug Trafficking Not Being Fought

Rodriguez Mariategui said that drug trafficking is not being fought either. "This traffic is totally distorting the exchange rate, as excessive foreign currency is being generated by this illegal activity."

He said that if drug trafficking is not dealt with, it will not be possible to develop a stable dollar through supply and demand to promote exports.

In addition to this calamitous situation created by terrorism and drug trafficking, "there is also the political problem caused by the former administration which left the mining industry in a very serious position, unable even to invest in new operations to increase future production."

Business Expectations

In speaking of the present administration, Rodriguez Mariategui said "there is some hope for mining." He said that when President Fujimori began the stabilization program he asked the mining industry for four months of respite and sacrifice. "That is, we were asked to accept a 10 percent tax on exports up to 31 December 1990."

"Based on the administration's statements, the business community expects exports in general to be promoted during 1991, especially mining exports. Businessmen are looking for profits in mining by reducing costs. "We do not need outside backing to reduce costs. Businesses need to obtain raw materials from abroad with minimum tariffs and then export our minerals without restrictions."

He regrets that so far imports have not been opened up as had been planned. "There was a five year schedule. In reality, the use of foreign currency for larger imports will not be promoted. Nor will we be generating a free market to achieve a better exchange rate."

*** Ayacucho Deputy on Shining Path Developments**

91WR0126Z Lima EXPRESO in Spanish
11 Jan 91 p 4

[Interview with American Popular Revolutionary Alliance (APRA) Party deputy Alberto Valencia Cardenas in Lima; date not given—first three paragraphs are introduction]

[Text] One of the most knowledgeable experts on the SL [Shining Path] movement is the deputy from Ayacucho, Alberto Valencia Cardenas (PAP) [APRA—Aprista Party of Peru]. In his capacity as a member of the Defense and Police Forces Committee of the Chamber of Deputies, Valencia recently traveled to the jungle with the committee chair, Deputy Oswaldo Garcia Monteblanco.

Upon his return to Lima, Valencia told EXPRESO that Shining Path is concentrating its forces in the Huallaga Valley, and that if SL gains control of that area, its budget will exceed the budget of the defense ministry and the three branches of the armed forces.

Shining Path is reportedly massing its forces in the Huallaga Valley in order to control the world's richest coca growing area.

[EXPRESO] How did you reach such alarming conclusions?

[Valencia] From the information I receive every day from the emergency area. The most important Shining Path leaders are being transferred to the jungle. To the Huallaga Valley. There they intend to gain control of the extremely profitable coca business.

[EXPRESO] Do you mean that drug trafficking has changed SL's strategy?

[Valencia] Shining Path's strategy remains the same. What is happening is that SL has changed its tactics. Now it is paying more attention to coca. It is paying more attention to dollars because dollars mean modern weapons, fast boats, helicopters, small planes, and—most all—better supplies.

Just as people who experiment with coca become addicts, so SL has become a movement that is addicted to drugs. After [experiencing] the dollars produced by drug trafficking, SL will never be the same again. Guzman cannot erase from his mind the flood of dollars that drug trafficking produces.

[EXPRESO] Is the Huallaga area really so important, or are you giving it a dimension which it does not actually have?

[Valencia] A few days ago, Admiral Felix Granthon, the political-military commander of the Ucayali base, told me that the area planted with coca in the jungle amounts to 200,000 hectares. Then he added that every day about 75 small planes take off from the area, each carrying an average of $300,000 dollars worth of cocaine. If each plane paid only $20,000 as a fee for the right to use a clandestine airfield, that would be $1,500,000 a day. In one year, this would add up to a figure close to $550 million. I believe this immense fortune is SL's immediate objective. The nation must be warned of this: if Abimael Guzman wins the Huallaga battle, SL will have a much sounder economy than the Peruvian government's economy.

[EXPRESO] What is the current status of the fight against Shining Path? Do you think the Peruvian government is winning?

[Valencia] I don't believe Shining Path is winning the war, but the Peruvian Army is losing it. The Peruvian government does not have a strategy. The Peruvian Army has lost its reflexes. It has lost its agility. It suffers from bureaucratization. Civilian society is not cooperating with the antiterrorism campaign, for it believes the military should handle the battle against Shining Path. No one has done anything to arouse the defensive instincts of Peruvian society. While things remain as they are, the war will drag on indefinitely; it will never end. It will become institutionalized and will become a chronic effort against an illness, just as it is in Colombia. Not because of the excellence of SL's "strategic thinking," but rather because of the ineffectiveness of the countersubversion effort. And the last three democratic presidents—Belaunde, Garcia, and Fujimori—all share the blame equally.

[EXPRESO] People are saying that the Navy is committing genocide in Pucallpa, and that Bishop Juan Luis Martin has reported the Navy's actions. What is the truth about this?

[Valencia] I don't want to act as the Navy's advocate, but I must tell you that not long ago an International Human Rights Commission led by Monsignor Andre Fauchet, the Bishop of Troyes, France, who is president of the International Episcopal Commission, visited Pucallpa. A representative of the World Council of Churches, Reverend Gilberto Flores, the Mennonite pastor of Guatemala, also visited the area. Other visitors were Ms. Muriel Juliart from Switzerland, and Apostolic Vicar Roger de Montigny, chaplain of the prisons of Lima. Pucallpa has been visited quite often in the last few weeks because of irresponsible statements made by a local fisherman.

[EXPRESO] You should not forget, Deputy, that it was the Bishop of Pucallpa who filed the complaint.

[Valencia] Bishop Juan Luis Martin was not the author of the complaints. He received the reports from interested persons and quite logically forwarded them to the appropriate places. None of the many commissions which has visited Pucallpa has been able to establish the truth of the alleged deaths in the Pucallpa waters. Just imagine how absurd it would be for the Navy to try to "bury" compromising cadavers by using helicopters; it would be much simpler and more discreet to make them disappear by putting them on barges or in small boats.

[EXPRESO] But what about the disappeared people?

[Valencia] Let met cite as witnesses three well known persons who have my highest consideration and deepest respect, the chair of the Defense Committee of my chamber, Deputy Oswaldo Garcia Monteblanco, the deputy from Ica, Alfredo Elias Vargas, and the former general commandant of the Navy, and former president of the Armed Forces Joint Command Admiral Luis Montes Lecaros. They are all witnesses to the fact that Peruvian citizens Lester Mostembite Cartagena, L.E. [ID no] 00090221, Amanda Guerra Lopez, L.E. 00093734, and Oswaldo Quispe Corahua, L.E. 00091206, who were reported as "having disappeared," a day before our arrival in Pucallpa appeared before Admiral Felix Granthon, and told him: "Admiral, we are the bishop's disappeared [desaparecidos]. We are working elsewhere, but in reality, we have not disappeared. Based on that visit, Oswaldo Garcia commented: "People who do not appear must have joined the ranks of Shining Path. If we prepared a list of SL activists, perhaps there we would have the real list of the disappeared."

*** Contents of New Shining Path Newspaper Reviewed**

91WR0126O Lima EXPRESO in Spanish
4 Jan 91 p 17

[Commentary by Patricio Ricketts Rey de Castro]

[Text] The nation must realize that at the end of ten long years the armed struggle is entering or attempting to enter a new phase, one of greater danger and scope. "Maoists begin a war of movement," reads a headline in the November issue of EL DIARIO INTERNACIONAL. With its typical cry of triumph, the objective leaps out in the newspaper's large banner headline: "Guerrillas prepare to take power."

Before discussing this strategic plan and relating it to later events, we should explain that EL DIARIO INTERNACIONAL is the new monthly newspaper of the Communist Party of Peru, SL [Shining Path].

It has 16 pages, is published in Brussels and is distributed in Europe, the United States, Canada, and Latin America—where not one of the three governments attacked by terrorism has ever reported the fundamental facts about this bloody and destructive struggle, which not without reason has created a worldwide image of Peru as the archetype of a dangerous and inept nation.

Luis Arce Borja, the director of Shining Path's EL DIARIO in Lima, heads the newspaper. He was arrested by the APRA [American Popular Revolutionary Alliance] regime and then allowed to leave the country in circumstances which have never been explained. The deputy director is Janet Talavera, the last director of EL DIARIO before its violent "shutdown" by Minister Mantilla, in an action that is hard to comprehend in view of the official tolerance of the periodical CAMBIO, the voice of the MRTA [Tupac Amaru Revolutionary Movement]. For what strange reason, many people have wondered, does the government consider the SL propaganda harmful and the MRTA propaganda acceptable? It is a mystery. No one has heard any answer.

Nor is there any convincing explanation for the imprisonment of Janet Talavera, who has already spent 18 months in jail. The fact that she remains in jail while Palay is at liberty, thanks to the 'aprotunel' [meaning unknown], is one of the ironies characteristic of the so-called antiterrorism struggle.

Toward "Strategic Equilibrium"

Now that we have provided that background, we will get to the point. "The first 90 days of the Alberto Fujimori administration," says the SL publication, "have been a period of violent clashes between the Maoist guerrillas and the Peruvian government's police and armed forces. The subversive activities have been immense."

"The execution of various high-level army and police officers," it adds, "the attack on military barracks, the ambushes of military patrols, the selective assassination of mercenaries, including the fatal attack on a former minister of labor, the movement of numerous guerrilla columns, have all created a new situation in Peru's civil war."

"The guerrilla offensive," the SL publication further maintains, "is related to the announcement made by the Maoists of the PCP [Communist Party of Peru], that they are beginning a new phase in the armed struggle which they have been conducting for the past ten years. They say they are beginning to carry out a war of movement, as part of the strategic equilibrium phase of the revolution."

From Words to Deeds

Since November, SL has moved even more boldly from words to deeds. It is not necessary to dwell on the movement's growing dramatic nature, on its terrible material and human cost—EL DIARIO INTERNACIONAL says that in the first three months of this administration the number of victims has climbed to 2,000—and on the alarming projections of this offensive.

The invasion of lands whose control would enable SL to strangle the Central Highway could well be part of this mobile war. The terrorists plan to immobilize the nation in order to divide and conquer it. That is what they are trying to do now. Here and there: in the valleys to the north and south of Lima; throughout the interior of the Central Highway, which has already been seriously compromised; along the vulnerable South Panamerican Highway, north of Arequipa; in the railroads; and of course, in the jungle, not to mention [other areas].

That is where we stand now. We need to be aware of this.

Uruguay

Congressional Committee Condemns Iraqi Invasion

PY1902122091 Montevideo Radio Carve in Spanish 2300 GMT 18 Feb 91

[Text] The Chamber of Deputies [as heard] has condemned the Iraqi invasion of Kuwait and approved a proposal expressing its solidarity with the Israeli people. The first resolution was unanimously approved in the International Affairs Committee, but Deputy Francisco Rodriguez Camusso expressed some reservations about the other proposal. Deputy Armando da Silva Tavarez made the following statement:

[Begin Da Silva recording] The committee met and unanimously approved a six-point draft declaration on the Uruguayan position condemning the Iraqi invasion and the annexation of the sovereign State of Kuwait.

Another proposal sponsored by Crusade 94, which we consider to be very important, was also approved. This proposal states that the Chamber of Deputies of the Oriental Republic of Uruguay condemns the unjustifiable military aggression that the State of Israel is suffering and expresses its solidarity with the Uruguayan Jewish community and its concern over the fate of compatriots living in Israel.

Another proposal on actions by armed forces in Lebanon was also approved and [words indistinct]. [end recording]

These were remarks by Deputy Armando da Silva Tavarez.

Gold Reserves Sold To Buy Back Foreign Debt

PY1502171091 Madrid EFE in Spanish 2310 GMT 14 FEb 91

[Excerpt] Montevideo, 14 Feb (EFE)—The Uruguayan Central Bank today reported that it has sold 150,000 ounces of gold from its reserves to complete a deal to pay off part of Uruguay's foreign debt, which is one of the highest per capita in the world. According to the Central Bank, Uruguayan gold reserves currently total 2,460,477.2 troy ounces.

The gold was sold at an average price of $389.12 per ounce, which is above market prices, according to the official report.

On 19 February Uruguay will make its first remittance of cash to buy foreign debt papers at a 44-percent discount.

On 31 January Uruguay signed documents to purchase $550 million of its debt to international private banks. The total debt to these banks totals $1.641 billion. This purchase is part of a program to reduce the Uruguayan foreign debt, which amounts to an overall total of $6.990 billic ¬. [passage omitted]

Economy Under Secretary Herrrera Resigns

PY1602144091 Montevideo Radio El Espectador Network in Spanish 1000 GMT 16 Feb 91

[Summary] Nicolas Herrera, Economy and Finance Ministry under secretary, has confirmed that he resigned his post this week.